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Skagit County Auditor

\$220.00

5/26/2016 Page

1 of

25 1:50PM

Document Title:

CONSENT AND ASSUMPTION AGREEMENT

Reference Number:Grantor(s):☐ additional grantor names on page ____

1. WELLS FARGO BANK N.A.

2.

Grantee(s):☐ additional grantee names on page ____

1. SALEM VILLAGE ONE LLC

2.

Abbreviated legal description:☐ full legal on page(s) ____

8-34-4 PTN SE-SE

Assessor Parcel / Tax ID Number:☐ additional tax parcel number(s) on page ____

P24136

I, MARLA HICKOK, am hereby requesting an emergency non-standard recording for an additional fee 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. Recording fee is \$42.00 for the first page, \$1.00 per page thereafter per document. In addition to the standard fee, an emergency recording fee of \$50.00 is assessed. This statement is to become part of the recorded document.

Signed

Marla Hickok

Dated

5-26-16

UNRECORDED

PREPARED BY AND)
WHEN RECORDED MAIL TO:)
)
Anderson, McCoy & Orta, P.C.)
100 N. Broadway, Suite 2600)
Oklahoma City, Oklahoma 73102)
J. Michael McCoy)
Loan No. 30241484)
AMO File No. 401.1123)

SPACE ABOVE THIS LINE
FOR RECORDER'S USE

CONSENT AND ASSUMPTION AGREEMENT

This Consent and Assumption Agreement ("Assumption Agreement") is dated as of the 26TH day of MAY, 2016 ("Closing Date"), between and among WELLS FARGO BANK, N.A., AS TRUSTEE FOR THE CRE AFFORDABLE HOUSING NO. 2, LLC COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES SERIES 2004 (the "Noteholder"), whose Master Servicer is Midland Loan Services, a division of PNC Bank, National Association ("Midland"), having an address of 10851 Mastin, Suite 300, Overland Park, Kansas 66210, SALEM VILLAGE ONE LLC, a Washington limited liability company (the "Assumptor"), having its address at 3100 N. 30th Street Box 2, Mount Vernon, Washington 98273, SALEM VILLAGE, a Washington non-profit corporation (the "Guarantor"), SALEM VILLAGE LIMITED PARTNERSHIP, a Washington limited partnership ("Borrower"), having its address at 3100 N. 30th Street Box 2, Mount Vernon, Washington 98273.

RECITALS:

A. On or about May 25, 2000, WASHINGTON COMMUNITY REINVESTMENT ASSOCIATION, a Washington nonprofit corporation ("Original Lender") made a certain loan and extended credit in the amount of Seven Hundred Forty Seven Thousand and 00/100 Dollars (\$747,000.00) (the "Loan") to Borrower, evidenced by a certain Note (herein defined), security agreements, deeds of trust, mortgages, and other documents and instruments executed by Borrower and others from time to time (collectively, the "Loan Documents"), including, but not limited to, those listed on **Exhibit "A"** attached hereto and incorporated herein for all purposes.

B. Noteholder is the current owner and holder of the Loan, the Note and the Loan Documents.

C. Borrower, Assumptor and Guarantor have agreed to (i) the assumption by Assumptor of the liabilities and obligations of Borrower under the Note and the other Loan Documents, and (ii) the ratification by Guarantor of its liabilities and obligations under the Loan Documents.

D. Borrower, Assumptor and Guarantor have requested that Noteholder approve and consent to (i) the assumption by Assumptor of the liabilities and obligations of Borrower under the Note and the other Loan Documents, and (ii) the ratification by Guarantor of its liabilities and obligations under the Loan Documents.

E. Upon the conditions set forth herein, Noteholder is willing to approve and consent to (i) the assumption by Assumptor of the liabilities and obligations of Borrower under the Note and the other Loan Documents, and (ii) the ratification by Guarantor of its liabilities and obligations under the Loan Documents..

AGREEMENT

In furtherance of the foregoing, Borrower, Assumptor, Guarantor and Noteholder do hereby agree as follows:

1. **Assumption by Assumptor.** Assumptor, jointly and severally (if more than one Assumptor), hereby assumes and agrees, for the benefit of Noteholder and its successors and assigns, to be bound by, observe and perform, all past (to the extent unsatisfied), present and future liabilities, terms, provisions, covenants and obligations of Borrower under the Note and the other Loan Documents. Assumptor, jointly and severally (if more than one Assumptor), agrees that it will be bound by all of such terms and provisions, promptly pay all such liabilities and promptly observe and perform all such covenants and obligations, with the same force and effect as if Assumptor had originally executed and delivered the Note and other Loan Documents instead of Borrower and as if Borrower has never and/or had never been released of any obligation and/or liability under the Note and other Loan Documents. For the period of time from the inception of time up to and including the Closing Date, a reference in any Loan Document, including the Note, to Borrower, therefore, shall also be deemed a reference to Assumptor. For the period of time from and after the Closing Date, a reference in any Loan Document to Borrower shall be deemed a reference to only Assumptor. Assumptor hereby consents to the release by Noteholder, at any time, of Borrower's obligations and liabilities under the Loan Documents; Assumptor hereby acknowledges that any such release of Borrower shall not affect Assumptor's obligations and liabilities under the Loan Documents.

2. **No Release of Guarantor; Ratification by Guarantor.** As a condition to Noteholder entering into this Assumption Agreement, Noteholder has required that Guarantor ratify its obligations and liabilities under the the Loan Documents, including but not limited to Uniform

Covenant L of the Rider to the Deed of Trust and Noteholder would not be entering into this Assumption Agreement without such ratification of its liability by the Guarantor. Guarantor has a direct or indirect interest in Assumptor and the transactions described herein are a benefit to Assumptor and Guarantor. Noteholder does not release Guarantor from any of its liabilities and obligations under the the Loan Documents, including but not limited to Uniform Covenant L of the Rider to the Deed of Trust, and nothing in this Assumption Agreement shall be construed to in any way release Guarantor from any of its liabilities and obligations under the the Loan Documents, including but not limited to Uniform Covenant L of the Rider to the Deed of Trust.

3. **Confirmation of Loan Balance.** The parties hereby acknowledge and agree that the principal balance of the Note as of May 23, 2016, is \$541,419.12. This amount has been determined after taking into account the payment received by Noteholder due for May 1, 2016.

4. **Confirmation of Reserve Balances.** The parties hereby acknowledge and agree that, as of May 23, 2016, in accordance with the Note and the Loan Documents, the following balances for impound, reserve and/or escrow accounts are maintained with Noteholder:

Tax Reserve	\$0.00
Insurance Reserve	\$0.00
Replacement Reserve	\$0.00
Completion Reserve	\$0.00

Such impound, reserve and/or escrow accounts are hereby assigned by Borrower to Assumptor.

5. **Consent to Assumption.** Subject to the conditions contained herein, Noteholder hereby consents to the transfer of the Property (defined below) to Assumptor.

6. **Release of Borrower.** Subject to the terms of this Assumption Agreement and as set forth below, Noteholder hereby releases Borrower from further personal liability under the Note and the other Loan Documents for any acts or events occurring or obligations arising after the Closing Date which are not caused by, or do not arise out of, any acts or events occurring or obligations arising prior to or simultaneously with the Closing Date; provided, however, the provisions of this paragraph shall not (i) constitute a waiver, release or impairment of any obligation under the Note or the Loan Documents of Borrower for any acts or events occurring, or obligations arising, prior to or simultaneously with, the Closing Date; (ii) impair the right of Noteholder to name Borrower, for purposes of extinguishing Borrower's interest in the Property (which term shall have the same definition herein as assigned to such term in the Deed of Trust) as a party defendant in any action or suit for judicial foreclosure and sale under the Deed of Trust; (iii) impair the right of Noteholder to obtain the appointment of a receiver; (iv) impair the enforcement of the Assignment of Leases executed in connection with the Deed of Trust; and (v) impair the right of Noteholder to bring suit against Borrower for any acts or events occurring, or

obligations arising, prior to or simultaneously with the Closing Date. Nothing contained in this section shall (1) be deemed to be a release or impairment of the indebtedness evidenced by the Note or the lien of the Loan Documents upon the Property, or (2) preclude Noteholder from foreclosing the Loan Documents in case of any default or from enforcing any of the other rights of Noteholder except as stated in this paragraph.

7. **Conditions.** It shall be a condition to the effectiveness of this Assumption Agreement that on or before the Closing Date, (i) the Borrower shall have paid the Noteholder all payments under the Loan Documents which shall have become due and payable as of the Closing Date, (ii) the Assumptor shall have deposited such sums with the Noteholder to comply with the impound and reserve funds provisions of the Loan Documents, including, but not limited to, Uniform Covenant 2 of the Deed of Trust, (iii) fee simple title to the Property shall have been conveyed by Borrower to Assumptor, with the conveyance instrument recorded with the land records recording office of Skagit County, Washington, (iv) all taxes due and payable for the Property must be paid current as of the Closing Date, (v) the Assumptor shall cause to be delivered to the Noteholder an opinion of counsel, satisfactory to the Noteholder as to form, substance and rendering attorney, opining to the validity and enforceability of the existing Loan Documents, this Assumption Agreement and the terms and provisions hereof, and any other agreement executed in connection with the transactions contemplated hereby, the authority of the Assumptor and Guarantor and any constituents of the Assumptor and Guarantor, to execute and deliver this Assumption Agreement and perform their obligations under the Note and other Loan Documents, and such other matters as reasonably requested by the Noteholder, (vi) Assumptor and Borrower shall cause to be delivered to Noteholder, at Borrower's and Assumptor's expense, a lender's title policy, or an endorsement to an existing lender's policy, insuring the Deed of Trust as modified by this Assumption Agreement as a valid first lien on the Property, naming the Noteholder as the insured thereunder, and naming the Assumptor as owner of the Property, which policy shall insure that, as of the date of the recording of this Assumption Agreement, the Property shall not be subject to any additional exceptions or liens other than those conditions in the original title policy insuring the lien of the Deed of Trust and delivered in connection with the Deed of Trust, (vii) Assumptor shall obtain, and provide Noteholder with proof thereof satisfactory to Noteholder, insurance for the Property which satisfies the requirements of the Deed of Trust and Assumptor shall have paid one year's premium in advance on such insurance, and (viii) Assumptor shall deliver to Noteholder such other documents as Noteholder shall reasonably request such as new financing statements or amendments to existing financing statements. Noteholder, at any time, may in its sole discretion and in writing, waive the requirements of this section and upon such waiver, this Assumption Agreement shall be effective, at Noteholder's election, as of the Closing Date or as of the date of such writing.

8. **Substitution of Persons under Loan Documents.** All references to "Bank," "Lender," "Payee," "Secured Party," "Mortgagee," "Assignee" or "Beneficiary" set forth in the Note or any of the Loan Documents shall be, as of July 1, 2004, deemed to be references to Noteholder.

9. **Ratifications.** Borrower, Assumptor and Guarantor, hereby agree as follows:

(a) The terms and provisions set forth in this Assumption Agreement shall modify and supersede all inconsistent terms and provisions set forth in the Note and the Loan Documents and except as expressly modified and superseded by this Assumption Agreement, the terms and provisions of the Note and the Loan Documents are ratified and confirmed and shall continue in full force and effect. Borrower, Assumptor and Guarantor agree that the Note and the Loan Documents, as amended hereby, shall continue to be legal, valid, binding and enforceable in accordance with their respective terms; and

(b) Borrower and Assumptor hereby ratify, confirm, and to the extent it will not release, terminate, interfere with or otherwise do away with any and all existing liens, security interests or encumbrances securing the Note, grant and regrant to Noteholder any and all liens, security interests and encumbrances created thereby (to the extent collateral covered by the Loan Documents has not previously been released in writing by the beneficiary of the liens, security interests and encumbrances), and agree that: (i) same shall be for the benefit of and to secure the Note, as amended hereby, and all other indebtedness described in the Loan Documents, (ii) the assumption by Assumptor of the Note and the Loan Documents shall in no manner affect or impair the liens, security interests or encumbrances securing the Note, (iii) said liens, security interests or encumbrances shall not in any manner be waived, the purpose of this Assumption Agreement being to permit Assumptor to assume the obligations of Borrower under the Note and the Loan Documents, and (iv) the liens, security interests and encumbrances created by the Loan Documents are acknowledged by Borrower and Assumptor to be valid and subsisting as security for and for the benefit of the Note and all other indebtedness described in the Loan Documents.

10. **Representations and Warranties.**

(a) Each of Borrower, Assumptor and Guarantor (each as to itself only) hereby represents and warrants to Noteholder that the execution, delivery and performance of this Assumption Agreement and any and all other documents executed and/or delivered in connection herewith have been authorized by all requisite company, partnership or corporate action and do not and will not violate its charter, its partnership agreement, its articles of organization and operating agreement, or its bylaws and articles of incorporation, its trust agreement, as the case may be.

(b) Borrower and Guarantor (each as to itself only) represent and warrant to Noteholder, Assumptor that neither of them is in default under the Loan Documents as of the date of execution of this Assumption Agreement.

(c) Noteholder represents and warrants, that after giving effect to the terms of this Assumption Agreement and based upon the actual conscious knowledge of Noteholder, there exists no event of default based upon failure to make payments on the Note as and when due.

(d) Without limiting the provisions of this Assumption Agreement and the Loan Documents, Assumtor hereby represents, warrants and covenants unto Noteholder as of the date hereof that Assumtor complies and will comply with Uniform Covenant J of the Rider to Multifamily Instrument of the Deed of Trust.

(e) Guarantor hereby represents and warrants to Noteholder that there has been no adverse change in the financial position of the Guarantor from the financial position of the Guarantor as set forth in the financial information provided by Guarantor to Midland in connection with this transaction.

(f) Assumtor and Guarantor (each as to itself only) hereby represent and warrant to Noteholder that all funds provided by Assumtor's constituents to Assumtor are in the form of capital contributions and are not loans to Assumtor. Assumtor and Guarantor hereby represent and warrant to Noteholder that neither the Property nor the membership interests in Assumtor have been pledged or encumbered in connection with the acquisition of the Property by Assumtor.

(g) Assumtor and Guarantor (each as to itself only) further represent and warrant to Noteholder that neither Assumtor Guarantor, nor are any principals, affiliates or persons holding direct or indirect interests in Assumtor, are listed or classified as "Non-Qualified Persons" or "Embargoed Persons" as those terms are more particularly defined on Exhibit "B" attached hereto and made a part hereof.

(h) Borrower, Assumtor and Guarantor (each as to itself only) further represent and warrant to Noteholder that all information provided to Noteholder or Midland by Borrower, Assumtor or Guarantor, or any of their respective employees, officers, directors, partners, members, managers or representatives, in connection with or relating to (i) this Assumption Agreement or the transactions contemplated hereby or (ii) the Property contains no untrue statement of material fact and does not omit a material fact necessary in order to make such information not misleading, and the provision of any such information by Noteholder or Midland to any rating agency is expressly consented to by Borrower, Assumtor and Guarantor and will not infringe upon or violate any intellectual property rights of any party.

11. **Indemnification.**

(a) Borrower, by its execution of this Assumption Agreement, jointly and severally, agree to reimburse, indemnify and hold Noteholder, its officers, agents, loan servicers (including, without

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limitation, Midland) and employees harmless from and against any and all liabilities, judgments, costs, claims, damages, penalties, expenses, losses or charges (including, but not limited to, all legal fees and court costs), which may now or in the future be undertaken, suffered, paid, awarded, assessed or otherwise incurred as a result of or arising out of any breach or inaccuracy of the foregoing representations and warranties Borrower or any fraudulent or tortuous conduct of Borrower in connection with this Assumption Agreement or the transactions contemplated hereby, or the Property, including the misrepresentation of financial data presented to Noteholder.

Borrower, by its execution of this Assumption Agreement, jointly and severally, agree to indemnify the Noteholder, its officers, agents, loan servicers (including, without limitation, Midland) and employees with regard to any claims made in connection with or relating to the assumption.

(b) Assumptor and Guarantor, by their execution of this Assumption Agreement, jointly and severally, agree to reimburse, indemnify and hold Noteholder, its officers, agents, loan servicers (including, without limitation, Midland) and employees harmless from and against any and all liabilities, judgments, costs, claims, damages, penalties, expenses, losses or charges (including, but not limited to, all legal fees and court costs), which may now or in the future be undertaken, suffered, paid, awarded, assessed or otherwise incurred as a result of or arising out of any breach or inaccuracy of the foregoing representations and warranties of Assumptor and Guarantor or any fraudulent or tortuous conduct of Assumptor or Guarantor in connection with this Assumption Agreement or the transactions contemplated hereby, or the Property, including the misrepresentation of financial data presented to Noteholder.

Assumptor and Guarantor, by their execution of this Assumption Agreement, jointly and severally, agree to indemnify the Noteholder, its officers, agents, loan servicers (including, without limitation, Midland) and employees with regard to any claims made in connection with or relating to the assumption.

12. **Anti-Money Laundering/International Trade Law Compliance.**

(a) Assumptor and Guarantor (each as to itself only) hereby represent and warrant to Noteholder that no Covered Entity (as defined in Exhibit "B") is a Sanctioned Person (as defined in Exhibit "B") and that no Covered Entity, either in its own right or through any third party, (i) has any of its assets in a Sanctioned Country (as defined in Exhibit "B") or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law (as defined in Exhibit "B"); (ii) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (iii) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(b) Assumptor and Guarantor covenant and agree that: (A) no Covered Entity will become a Sanctioned Person; (B) no Covered Entity, either in its own right or through any third party, will (i) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (ii) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (iii) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (iv) use the proceeds of the Loan to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) funds used to repay the obligations under the Loan will not be derived from any unlawful activity; (D) each Covered Entity shall comply with all Anti-Terrorism Laws; (E) Assumptor shall promptly notify the Noteholder in writing upon the occurrence of a Reportable Compliance Event (as defined in Exhibit B).

(c) A breach of any term or provision of this Section 12 shall be an "Event of Default" under the Loan Documents.

13. **Event of Default.** A breach of any term of this Assumption Agreement by either Guarantor or Assumptor shall be an Event of Default (as defined in the Deed of Trust) under the Deed of Trust, and Noteholder shall have such remedies as are available under the law and/or Deed of Trust.

14. **Insurance.** At all times, Assumptor shall comply with all terms of the Loan Documents, including the insurance requirements of the Deed of Trust. Although Noteholder may accept certain evidence of insurance for purposes of closing the loan assumption, Noteholder does not waive any of the insurance provisions of the Deed of Trust.

15. **Releases, Covenants Not to Litigate, and Assignments.** For the period of time from the inception of time to and including the date of recordation of this Assumption Agreement, and in consideration for Noteholder's consent to the assumption of the Note and Loan Documents described herein, Borrower, Assumptor and Guarantor hereby agree as follows (Borrower, Assumptor and Guarantor are herein sometimes collectively referred to as "Releasing Parties"):

(a) Each of the Releasing Parties hereby: (i) fully and finally acquits, quits, releases and discharges each of the Released Parties (the term "Released Parties" shall be defined as Noteholder, Original Lender, Midland and their respective officers, directors, shareholders, representatives, employees, servicers, agents and attorneys) of and from any and all obligations, claims, liabilities, damages, demands, debts, liens, deficiencies or cause or causes of action (including claims and causes of action for usury) to, of or for the benefit (whether directly or indirectly) of the Releasing Parties, or any or all of them, at law or in equity, known or unknown,

contingent or otherwise, whether asserted or unasserted, whether now known or hereafter discovered, whether statutory, in contract or in tort, as well as any other kind or character of action now held, owned or possessed (whether directly or indirectly) by the Releasing Parties or any or all of them on account of, arising out of, related to or concerning, whether directly or indirectly, proximately or remotely the Note or any of the Loan Documents, the Loan, or this Assumption Agreement, (ii) waives any and all defenses to payment of the Note for any reason; and (iii) waives any and all defenses, counterclaims or offsets to the Loan Documents (the foregoing (i), (ii) and (iii) are collectively, the "Released Claims");

(b) In addition to the releases contained hereinabove, and not in limitation thereof, each of the Releasing Parties hereby agrees that none of them shall ever prosecute, or voluntarily aid in the prosecution of, any of the Released Claims, whether by claim, counter-claim or otherwise; and

(c) If, and to the extent that, any of the Released Claims are, for any reason whatsoever, not released and discharged pursuant to the provisions of paragraph (a) above, each of the Releasing Parties hereby absolutely and unconditionally grants, sells, bargains, transfers, assigns and conveys unto Noteholder each and every of the Released Claims and any proceeds, settlements and distributions relating thereto.

Notwithstanding the foregoing, the Releasing Parties and the Released Parties agree that this Section 15 will not apply to any obligations, claims, liabilities, damages, demands, debts, liens, deficiencies or cause or causes of action that arise due to a state of facts which first come into existence following the date of recordation of this Assumption Agreement.

16. **Survival of Representations and Warranties.** All representations and warranties made in this Assumption Agreement or any other document executed in connection herewith, shall survive the execution and delivery of this Assumption Agreement and any other documents executed in connection herewith, and no investigation by Noteholder for any closing shall affect the representations and warranties or the right of Noteholder to rely upon them.

17. **Expenses of Noteholder.** Assumpor hereby agrees to pay Noteholder on demand all costs and expenses incurred by Noteholder in connection with the preparation, negotiation and execution of this Assumption Agreement and the other Loan Documents and/or other documents executed pursuant hereto and any and all amendments, modifications and supplements thereto, including, without limitation, the costs and fees of Noteholder's legal counsel. Without limiting the foregoing, contemporaneously with the execution and delivery hereof, the Borrower and Assumpor shall pay, or cause to be paid an assumption fee to the Noteholder in the amount of 1% of the principal balance of the Loan.

18. **Notices.** All notices or other communications required or permitted to be given shall be given and effective in accordance with the Note and Loan Documents. For purposes of notices, the addresses of the parties shall be as follows:

NOTEHOLDER: Wells Fargo Bank, N.A., as trustee for the CRF Affordable Housing No. 2, LLC Commercial Mortgage Pass-Through Certificates Series 2004
% Midland Loan Services,
a division of PNC Bank, National Association
10851 Mastin, Suite 300
Overland Park, KS 66210
Attn: Tad A. Janssen
Telecopy: 913-253-9001

with a copy to:

Steven S. Bartels, Esq.
Senior Counsel
Midland Loan Services,
a division of PNC Bank, National Association
10851 Mastin, Suite 700
Building 82, Corporate Woods
Overland Park, KS 66210
Telecopy: 913-253-9001

ASSUMPTOR AND GUARANTOR:

c/o Salem Village One LLC
Attn: Gene Van Selus
3100 N. 30th Street Box 2
Mount Vernon, Washington 98273
Telephone: 360-757-7930

with a copy to:

Mark Kantor
Kantor Taylor Nelson Evatt & Decina PC
901 5th Avenue, Ste. 4000
Seattle, Washington 98164
Telephone: 206-812-2500

BORROWER:

CONSENT AND ASSUMPTION AGREEMENT

PAGE 10

c/o Salem Village Limited Partnership
Gene Van Selus
3100 N. 30th Street Box 2
Mount Vernon, Washington 98273
Telephone: 360-757-7930

with a copy to:

Mark Kantor
Kantor Taylor Nelson Evatt & Decina PC
901 5th Avenue, Suite 4000
Seattle, Washington 98164
Telephone: 206-812-2500

19. **Severability.** Any provision of this Assumption Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Assumption Agreement and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

20. **APPLICABLE LAW.** THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE FOR WHICH THE LOAN DOCUMENTS PROVIDE THAT THE LOAN DOCUMENTS ARE TO BE GOVERNED BY AND CONSTRUED WITH.

21. **Successors and Assigns.** This Assumption Agreement is binding upon and shall inure to the benefit of Noteholder, Borrower, Assumptor and Guarantor and their respective successors and assigns, except that the Borrower, Assumptor and Guarantor may not assign or transfer any of their respective rights or obligations hereunder without the prior written consent of Noteholder.

22. **Counterparts.** This Assumption Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

23. **Headings.** The headings, captions and arrangements used in this Assumption Agreement are for convenience only and do not affect the interpretations of this Assumption Agreement.

24. **Effect of Waiver.** No failure on the part of Noteholder to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Assumption Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of

any right, power or privilege under this Assumption Agreement preclude any other right, power or privilege. The rights and remedies provided for in this Assumption Agreement, the Note and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by law.

25. **Further Assurances.** Borrower, Assumptor and Guarantor agree that Noteholder may file an original or photocopy of this Assumption Agreement as a mortgage or deed of trust or as amendment to a mortgage or deed of trust wherever deemed appropriate by Noteholder. Borrower, Assumptor and Guarantor agree to execute and deliver to Noteholder such security agreements, financing statements, deeds of trust, mortgages, assignments (and supplemental deeds of trust, mortgages, assignments, security agreements and financing statements) and other documents and instruments and to do such other things as Noteholder may reasonably request or deem necessary in order to perfect and maintain the security interests, liens and encumbrances created and confirmed hereunder, or to further implement the provisions of this Assumption Agreement. Assumptor and Guarantor authorize Noteholder to file such financing statements or amendments to financing statements as Noteholder may reasonably request or deem necessary in order to perfect and maintain the security interests, liens and encumbrances created and/or confirmed hereunder, or to further implement the provisions of this Assumption Agreement.

26. **Transferability.** Notwithstanding anything contained in the Loan Documents to the contrary, Noteholder shall have the right to assign or transfer all or part of its rights, duties and obligations under the Loan Documents to a transferee who may or may not be a holder of the Note and such transferee shall be entitled to all of the rights and benefits of Noteholder under the Loan Documents.

27. **Furnishing Information.** Borrower, Assumptor and Guarantor agree that Noteholder may furnish any financial or other information concerning any such persons heretofore or hereafter provided by any such persons to Noteholder, to any prospective or actual purchaser of any participation or other interest in the Loans or to any prospective or actual purchaser of any securities issued or to be issued by Noteholder, or to any rating agencies.

28. **USA PATRIOT Act Notice.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each borrower that opens an account. What this means: when the borrower opens an account, the Noteholder will ask for the business name, business address, taxpayer identifying number and other information that will allow the Noteholder to identify the borrower, such as organizational documents. For some businesses and organizations, the Noteholder may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization. The term "borrower" herein shall include Assumptor.

29. **Amendments to Loan Documents.** For the period of time commencing with the Closing Date and thereafter, any and all reference to "Key Principal" or "Key Principals" under the Loan Documents shall mean "Salem Village, a Washington non-profit corporation".

30. **ENTIRE AGREEMENT.** THIS ASSUMPTION AGREEMENT AND THE LOAN DOCUMENTS AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS ASSUMPTION AGREEMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS ASSUMPTION AGREEMENT, AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. ASSUMPTOR AND GUARANTOR(S) HAVE EXAMINED THE DEED OF TRUST AND THE OTHER LOAN DOCUMENTS, AND ACKNOWLEDGE THAT SUCH DOCUMENTS HAVE PROVISIONS IN THEM WHICH INCLUDE INDEMNIFICATION OF NOTEHOLDER, INCLUDING INDEMNIFICATION FOR NOTEHOLDER'S OWN NEGLIGENCE.

THE DEED OF TRUST, THE LOAN DOCUMENTS, AND THIS ASSUMPTION AGREEMENT EMBODY THE ENTIRE AGREEMENT OF GUARANTOR AND NOTEHOLDER WITH RESPECT TO GUARANTOR'S OBLIGATIONS UNDER THE LOAN DOCUMENTS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER OF THE DEED OF TRUST, THE LOAN DOCUMENTS AND THE ASSUMPTION AGREEMENT. THE DEED OF TRUST, THE LOAN DOCUMENTS AND THIS ASSUMPTION AGREEMENT ARE INTENDED BY GUARANTOR AND NOTEHOLDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY AND THE ASSUMPTION AGREEMENT, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND/OR NOTEHOLDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THE GUARANTY, THE LOAN DOCUMENTS AND THIS ASSUMPTION AGREEMENT. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND NOTEHOLDER.

[SIGNATURE PAGES TO FOLLOW]

EXECUTED as of the date first written above.

NOTEHOLDER:

WELLS FARGO BANK, N.A., AS TRUSTEE FOR
THE CRF AFFORDABLE HOUSING NO. 2, LLC
COMMERCIAL MORTGAGE PASS-THROUGH
CERTIFICATES SERIES 2004

By: Midland Loan Services, a division of PNC
Bank, National Association, its Master
Servicer

By: _____

Name: _____

Title: _____

Gregory L. McFarland
Gregory L. McFarland

Senior Vice President

Servicing Officer

ASSUMPTOR:

SALEM VILLAGE ONE LLC, a Washington limited liability company

By: Salem Village, a Washington nonprofit corporation, its sole member and manager

By: Gene Van Selus
Gene Van Selus, Executive Director

GUARANTOR:

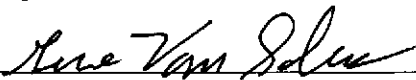
SALEM VILLAGE, a Washington non-profit corporation

By: Gene Van Selus
Gene Van Selus, Executive Director

BORROWER:

SALEM VILLAGE LIMITED PARTNERSHIP, a
Washington limited partnership

By: Salem Village, a Washington non-profit
corporation, its general partner

By: 
Gene Van Selus, Executive Director

ACKNOWLEDGMENT FOR NOTEHOLDER

STATE OF KANSAS §
 §
COUNTY OF JOHNSON §

This instrument was acknowledged before me on this 23rd day of May, 2016, by Gregory L. McFetland as SOL of Midland Loan Services, a division of PNC Bank, National Association, as Master Servicer of WELLS FARGO BANK, N.A., AS TRUSTEE FOR THE CRF AFFORDABLE HOUSING NO. 2, LLC COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES SERIES 2004.

[SEAL]

Notary Public

My Appointment Expires:

7/29/2019

Matthew D. Miller

Matthew D. Miller

Printed Name of Notary Public



ACKNOWLEDGMENT FOR ASSUMPTOR

STATE OF WASHINGTON)

)

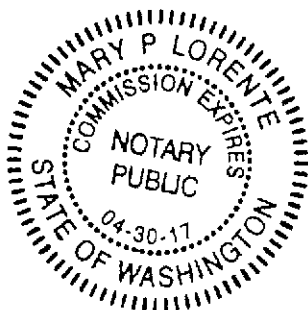
COUNTY OF Skagit)

On this 23rd day of May, 2016, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Gene Van Selus, to me personally known (or proved on the basis of satisfactory evidence) to be the Executive Director of Salem Village, a Washington nonprofit corporation, and sole member of Salem Village One LLC, a Washington limited liability company, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said company for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

Mary P. Lorente

NOTARY PUBLIC in and for the state of Washington

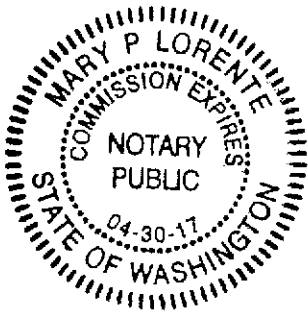
My Commission expires: 4/30/2017



ACKNOWLEDGMENT FOR GUARANTOR

STATE OF WASHINGTON)
COUNTY OF Skagit)

On this 23rd day of May, 2016, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Gene Van Selus, to me personally known (or proved on the basis of satisfactory evidence) to be the Executive Director of Salem Village, a Washington nonprofit corporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.



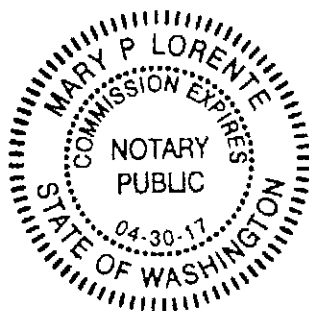
Mary P. Lorente
NOTARY PUBLIC in and for the state of Washington
My Commission expires: 4/30/2017

ACKNOWLEDGMENT FOR BORROWER

STATE OF WASHINGTON)

COUNTY OF Skagit)

On this 23rd day of May, 2016, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Gene Van Selus, to me personally known (or proved on the basis of satisfactory evidence) to be the Executive Director of Salem Village, a Washington nonprofit corporation, and general partner of Salem Village Limited Partnership, a Washington limited partnership, and acknowledged said instrument to be the free and voluntary act and deed of said corporation on behalf of said partnership for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.



Mary P. Lorente
NOTARY PUBLIC in and for the state of Washington
My Commission expires: 4/30/2017

EXHIBIT "A"

To

Consent and Assumption Agreement

The following described Loan Documents which, if recorded, are recorded as indicated below:

1. Multifamily Note, including the Addendum to Multifamily Note, dated as of May 25, 2000, in the original principal amount of \$747,000.00 from Borrower payable to the order of Original Lender (the "Note").

2. Multifamily Deed of Trust, Assignment of Rents and Security Agreement dated as of May 25, 2000, from Borrower to First American Title Company of Skagit County, Trustee for the benefit of Original Lender, which was recorded in the Real Property Records of the County Clerk of Skagit County, Washington, on May 25, 2000 as Document No. 200002520015 (the "Deed of Trust") covering the following described real property as follows:

See Exhibit A-1 attached hereto and made a part hereof for all purposes;

and the property described in the Deed of Trust (collectively, the "Property").

3. Financing Statement from Borrower in favor of Original Lender which was recorded on May 25, 2000, in the Official Records of Skagit County, Washington as Document No. 200005250017.

4. Financing Statement from Borrower in favor of Original Lender which was filed with the Washington State Department of Licensing Secretary of State on May 25, 2000, as 2000-146-0029.

5. Certificate and Indemnity Agreement Regarding Hazardous Materials ("Environmental Agreement") dated as of May 25, 2000, executed by Borrower in favor of Original Lender.

6. Certificate of Compliance and Indemnification Agreement dated as of May 25, 2000, executed by Borrower in favor of Original Lender.

EXHIBIT "A-1"

To

Consent and Assumption Agreement

Legal description of the Land

Lot 2 of Mount Vernon Short Plat No. MV-8-94, approved July 1, 1997 and recorded July 1, 1997 under Auditor's File No. 9707010107 in Volume 13 of Short Plats, page 18, records of Skagit County, Washington;

TOGETHER WITH that portion of Lot 3 of said Mount Vernon Short Plat No. MV-8-94, described as follows:

Beginning at the Northwest corner of said Lot 2; thence South 0 degrees 11'21" West along the West line of said Lot 2, also being the East line of said Lot 3, a distance of 229.71 feet to the Southwest corner of said Lot 2; thence North 87 degrees 57'29" West, along the North line of a 60 foot wide utility and access easement as shown on said Short Plat, 53.64 feet; thence North 0 degrees 11'21" East 64.17 feet to the beginning of a curve to the right, having a radius of 88.00 feet; thence Northeasterly along the arc of said curve to the right, through a central angle of 21 degrees 40'05", an arc distance of 33.28 feet; thence North 21 degrees 51'26" East, 117.03 feet to the beginning of a curve to the left, having a radius of 50.00 feet; thence Northerly along the arc of said curve to the left, through a central angle of 21 degrees 40'05", and arc distance of 18.91 feet; thence North 0 degrees 11'21" East, 4.11 feet to a point which lies North 87 degrees 57'29" West from said Northwest corner of Lot 2; thence South 87 degrees 57'29" East, 0.64 feet to the point of beginning.

Exhibit "B"

To

Consent and Assumption Agreement

"Anti-Terrorism Laws" shall mean any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

"Covered Entity" shall mean (a) Assumptor, all Guarantor and all pledgors of collateral under the Loan Documents and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity, authority, agency, division or department exercising the executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to a government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"Law" shall mean any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Governmental Body, foreign or domestic.

"Non-Qualified Persons" or **"Embargoed Persons"** shall mean any (1) person or entity who is on the most current list ("**OFAC List**") of "Specifically Designated National and Blocked Persons" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, <http://www.treas.gov/ofac/t11sdn.pdf>); a "designated national," "specially designated national," "specially designated terrorist," "specially designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Foreign Assets Control Regulations of the United States Treasury Department, 31 C.F.R., Subtitle B, Chapter V, as amended, (2) person acting on behalf of, or an entity owned or controlled by, any government against whom the United States maintains economic sanctions or embargoes under the Regulations of the United States Treasury Department, 31 C.F.R., Subtitle B, Chapter V, as amended, including, but not limited to, the "Government of Sudan," the "Government of Iran," the "Government of Libya," and the "Government of Iraq," (3) person or

entity who is listed in the Annex to or is otherwise within the scope of Executive Order 13224 - Blocking Property and Prohibiting Transactions with Person who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001, or (4) person or entity subject to additional restrictions imposed by the following statutes or Regulations and Executive Orders issued thereunder: The Trading with the Enemy Act, 50 U.S.C. app. § § 1 et seq., the Iraq Sanctions Act, Pub. L. 101-513, Title V, § § 586 to 586J, 104 Stat. 2047, the National Emergencies Act, 50 U.S.C. § § 1601 et seq., the Anti-Terrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1214-1319, the International Emergency Economic Powers Act, 50 U.S.C. § § 1701 et seq., the United Nations Participation Act, 22 U.S.C. § 287c, the International Security and Development Cooperation Act, 22 U.S.C. § 2349aa-9, the Nuclear Proliferation Prevention Act of 1994, Pub. L. 103-236, 108 Stat. 507, the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. § § 1901 et seq., the Iran and Libya Sanctions Act of 1996, Pub. L. 104-172, 110 Stat. 1541, the Cuban Democracy Act, 22 U.S.C. § § 6001 et seq., the Cuban Liberty and Democratic Solidarity Act, 22 U.S.C. § § 6201-91, the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1997, Pub. L. 104-208, 110 Stat. 3009-172, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, 115 Stat. 272, or any other law of similar import as to any non-U.S. country, as each such Act or law has been or may be amended, adjusted, modified, or reviewed from time to time.

“Person” shall mean any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any other entity, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“Reportable Compliance Event” shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

“Sanctioned Country” shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

“Sanctioned Person” shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.