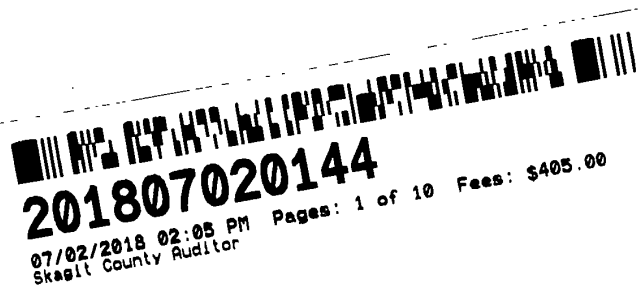


AFTER RECORDING, RETURN TO:

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

Attention: Contracts/Fiscal Group



GUARDIAN NORTHWEST TITLE CO.

ACCOMMODATION RECORDING ONLY

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT

(Raspberry Ridge Apartments)

GRANTOR: **RASPBERRY RIDGE APARTMENTS LIMITED PARTNERSHIP
WASHINGTON STATE DEPARTMENT OF COMMERCE**

GRANTEE: **SL RASPBERRY RIDGE LLC
WASHINGTON STATE DEPARTMENT OF COMMERCE**

ABBREVIATED
LEGAL
DESCRIPTION: **Portion Lots 1 and 2 in Revised SP#7-85 in the East 1/3 of Tract 37 of Burlington
Acreage Property
(ADDITIONAL LEGAL DESCRIPTION ON EXHIBIT A)**

TAX PARCEL NO(S): **3867-000-037-0102; 3867-000-037-0003; 3867-000-037-0805; ~~3867-000-037-0904~~**

REFERENCE NO(S): **200304170018** Amended and Restated Low Income Housing
Covenant Agreement
200304170017 Amended and Restated Deed of Trust

CONTRACT NO: **01-49300-572**

THIS ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 1st day of July, 2018, by and among **RASPBERRY RIDGE APARTMENTS LIMITED PARTNERSHIP**, a Washington limited partnership, with its principal offices at 1650 Port Drive, Burlington, Washington, 98233 ("Assignor" or the "Partnership"), **SL RASPBERRY RIDGE LLC**, a Washington limited liability company, with its principal offices at 1650 Port Drive, Burlington, WA 98233 ("Assignee"), and the **WASHINGTON STATE DEPARTMENT OF COMMERCE** (formerly known as the Washington State Department of Community, Trade and Economic Development), a department of

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT
RASPBERRY RIDGE APARTMENTS

PAGE 1

the State of Washington, whose address is 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525 ("Lender").

WHEREAS, Housing Authority of Skagit County (the "Authority") and Lender entered into that certain Housing Finance Unit Contract (Contract No. 01-49300-572), with an execution date of February 27, 2001 (the "State Loan Agreement"), whereby Lender agreed to loan the Authority One Million Eight Hundred Thirty Thousand Five Hundred Forty Six and 00/100 Dollars (\$1,830,546) ("State Loan"), in connection with the acquisition of the property known as Raspberry Ridge Apartments located at 20340 Sanchez Lane, Burlington, Washington ("Project"), and legally described on **Exhibit A** attached hereto and incorporated herein by reference (including all improvements thereon) (the "Property"); and

WHEREAS, to evidence the State Loan, the Authority executed that certain Promissory Note dated February 22, 2001, in favor of Lender ("State Note"), whereby the Authority agreed to pay Lender or the holder of the State Note the principal sum of One Million Eight Hundred Thirty Thousand Five Hundred Forty Six and 00/100 Dollars (\$1,830,546); and

WHEREAS, to secure payment of the State Note, Assignor executed that certain Deed of Trust dated February 22, 2001, and recorded on March 6, 2001, under Skagit County Auditor's File No. 200103060012 ("State Deed of Trust"), naming Lender as the Beneficiary; and

WHEREAS, the Housing Authority, Lender and the Partnership entered into that certain Assignment, Assumption and Consent Agreement dated February 27, 2001 and recorded under Skagit County Auditor's File No. 200112100234 (the "State Assignment") wherein the Authority, as Assignor therein, assigned to the Partnership all its right, title and interest in and to the State Loan Agreement and the State Note, and the Partnership, as Assignee therein, assumed from the Authority all its right, title and interest in and to the State Loan Agreement and the State Note, and the Lender consented thereto; and

WHEREAS, Assignor executed that certain Low Income Housing Covenant Agreement dated March 6, 2001, and recorded on March 6, 2001, under Skagit County Auditor's File No. 200103060013 ("State Covenant") to restrict the use of certain residential units in the Property to low income households; and

WHEREAS, Assignor and Lender entered into that certain Amended and Restated Promissory Note dated April 12, 2003 (the "First Amended Note") which was secured by that certain Amended and Restated Deed of Trust dated April 14, 2003 (the "First Amended Deed of Trust") amending the legal description, revising the loan repayment terms and reducing the annual payments; and

WHEREAS, Assignor and Lender entered into that certain Second Amended and Restated Note dated July 23, 2012 (the "Second Amended Note") which provided additional funding from the Lender in the amount of Three Hundred Fifty Thousand (\$350,000) and which was secured by that certain Second Amended and Restated Deed of Trust dated July 23, 2012

and recorded under Skagit County Auditor's File No. 201207230161 (the "Second Amended Deed of Trust"); and

WHEREAS, the Assignor and Lender entered into that certain Amended and Restated Low Income Housing Covenant Agreement dated April 14, 2003 and recorded under Skagit County Auditor's File No. 20030410018 (the "Amended Covenant") to extend the use restriction period to September 30, 2052; 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, pursuant to Laws of 2009, Chapter 565, thus all references in the Original Contract to the Department of Community, Trade and Economic Development or DEPARTMENT shall now be deemed references to the Department of Commerce; and

WHEREAS, Assignor is transferring the Property to Assignee and now wishes to assign to Assignee and to have Assignee assume all of Assignor's interest, rights, benefits, duties and obligations under the State Loan Agreement, the State Note, as amended, the State Deed of Trust, as amended, and the State Covenant, as amended (collectively, the "State Loan Documents"), as existing or as they may be further amended, and Assignee is willing to assume all of said obligations of Assignor thereunder; and

WHEREAS, Assignor and Assignee now request the consent of the Lender to (i) the transfer of the Property from Assignor to Assignee, (ii) the assignment of the State Loan Documents from Assignor to Assignee and (iii) the assumption of the obligations of Assignor under the State Loan Documents by Assignee.

NOW, THEREFORE, in consideration of the mutual promises of the parties and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Assignment and Assumption**

- (a) Assignor hereby confirms its agreement to transfer all of its right, title and interest in the Property to Assignee and hereby transfers, assigns, grants, and conveys to Assignee all of its right, title, and beneficial interest existing as of this date in and under the State Loan Documents, as now existing or as they may be amended.
- (b) Assignee hereby expressly assumes and agrees to perform, observe and confirm all the covenants, agreements, terms and conditions, obligations, duties and liabilities of Assignor under the State Loan Documents, as existing or as they may be amended, and any document or instrument executed and delivered or furnished by Assignor in connection therewith, and agrees that the Property and all leases of the Property are subject to the liens, security interests and assignments in favor of the Lender as stated in the State Loan Documents.

- (c) Any references in the State Loan Documents to Borrower, Grantor or Owner shall, with respect to all dates from and after the effective date of this Assumption Agreement, shall now include SL Raspberry Ridge LLC, a Washington limited liability company, and its successors and assigns, to the extent provided in the State Loan Documents, and the address for notices to Borrower or Owner under each and all State Loan Documents shall be 1650 Port Drive, Burlington, Washington, 98233, until changed by written notice to the Lender under the State Loan Documents.
- (d) Lender hereby releases and forever discharges the Partnership from all liabilities and obligations concerning said State Loan Documents arising subsequent to the date of this Assumption Agreement and agrees to look solely to Assignee for all such payments and liabilities under the State Loan Documents *provided, however*, that Housing Authority of Skagit County is not released from such obligations on account of such consent.
2. **Representations and Warranties of Assignee.** In order to induce Lender to continue the State Loan Agreement and to consent to the assignment and assumption provided for herein, Assignee hereby represents and warrants to Lender that:
- (a) Assignee is duly formed as a public body corporate and politic of the State of Washington and has the full right, power and authority to conduct all of the activities which are now conducted by it or proposed to be conducted by it in connection with the State Loan Documents, to execute, deliver and perform this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the State Loan Documents *provided, however*, that Housing Authority of Skagit County is not released from such obligations on account of such consent.
- (b) There is no action, suit or proceeding or any investigation pending or, to the best of Assignee's knowledge, threatened against or affecting Assignee 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 that is likely to have an adverse effect on Assignee's ability to assume the obligations and to fulfill the duties of Assignor under the terms of the State Loan Documents.
- (c) 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 statement of facts which is likely to

create or cause a default or breach under any such material lease, contract, agreement, commitment, instrument or obligation.

- (d) 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.
 - (e) Assignee has taken all corporate and other action, necessary to authorize the execution and delivery of this Assumption Agreement.
 - (f) The representations and warranties of the Borrower in the State Loan Documents, as applied to Assignee, are true and correct in all material respects as of the date hereof.
 - (g) Assignee has conducted its own inspections of the Property and is fully familiar with the condition thereof. Assignee is not relying on any representations or statements by or on behalf of Lender, express or implied, nor upon any duty of Lender to disclose information concerning the Property (whether or not known to Lender), in acquiring the Property and entering into this Assumption Agreement.
3. **Representations and Warranties of Assignor.** In order to induce Lender to allow the assignment and assumption contemplated herein, Assignor represents and warrants to Lender that:
- (a) The representations and warranties of Assignor in the State Deed of Trust and the State Covenant are true and correct in all material respects as of the date hereof.
 - (b) To the best of Assignor's knowledge, no Event of Default under the State Loan Documents, or event that with notice or the passage of time would constitute such an Event of Default, has occurred and is continuing.
 - (c) Assignor is the sole owner of indefeasible fee simple title to the Property, subject to no liens or encumbrances except those permitted by the State Loan Documents, and the transfer of the Property to the Assignee has received all consents and approvals required by the terms of the limited partnership agreement of Assignor, of any encumbrance on the Property and of any obligation secured by an encumbrance on the Property.
4. **Consents.** The Lender hereby consents to the transfer of the Property from Assignor to Assignee and the assumption by Assignee of the obligations of Assignor under the State Loan Documents.
5. **Further Documents and Assurances.** At any time and from time to time, upon Lender'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 and appropriate

to effect the purposes of this Assumption Agreement, including (without limitation) the execution of the State Note or an amended and restated promissory note(s) in form satisfactory to Lender. The Assignee hereby authorizes and agrees to the filing (at Assignee's expense) of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction, as deemed appropriate by Lender, in order to place on the public records notice of the effect of this Assumption Agreement.

6. **Acknowledgments, Agreements, and Waivers.** Assignor and Assignee acknowledge that the full principal amount of the State Note has been disbursed by Lender, and that the unpaid principal balance and interest accrued under the terms of the State Note are validly outstanding and owing on the State Note, subject to no defenses, offsets, or counterclaims through the date of this Assumption Agreement, and Assignee hereby waives any such defenses, offsets or counterclaims. Assignor and Assignee further acknowledge that the Lender has complied fully with all of its obligations to date under the State Loan Documents and that except as stated herein, the State Loan Documents have not been modified or amended.
7. **Further Transfers.** Nothing herein shall be construed as consent to any further transfer of any interest in the Property.
8. **Successors and Assigns.** This Assumption Agreement shall be binding upon Assignor, Assignee and Assignee's successors and assigns and shall inure to the benefit of the Lender and its successors and assigns; *provided, however*, that Assignee shall not have the right to assign any of its obligations or rights hereunder without the prior written consent of the Lender.
9. **Effective Date.** The effective date of this Assumption Agreement shall be the date the parties sign and complete the execution of this document and it is filed of record with the Skagit County office of records and elections.
10. **Counterparts.** This Assumption Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all parties execute each counterpart.

[SIGNATURE PAGE(S) FOLLOW]


IN WITNESS WHEREOF, the parties hereto have caused this Assumption Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Assumption Agreement.

ASSIGNOR:

RASPBERRY RIDGE APARTMENTS LIMITED PARTNERSHIP, a Washington limited partnership

By: **HOUSING AUTHORITY OF SKAGIT COUNTY**, a public body corporate and politic of the State of Washington

Its: General Partner

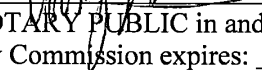
By: 
Name: Melanie Corey
Its: Executive Director

STATE OF WASHINGTON)

COUNTY OF SKAGIT)

On this 30 day of April, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Melanie Corey, to me personally known (or proved on the basis of satisfactory evidence) to be the Executive Director of the Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, the General Partner of **Raspberry Ridge Apartments 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.




NOTARY PUBLIC in and for the State of Washington
My Commission expires: 09/13/2019

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT
RASPBERRY RIDGE APARTMENTS

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Assumption Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Assumption Agreement.

ASSIGNEE:

SL RASPBERRY RIDGE LLC,
a Washington limited liability company

By: Housing Authority of Skagit County, a public body
corporate and politic of the State of Washington

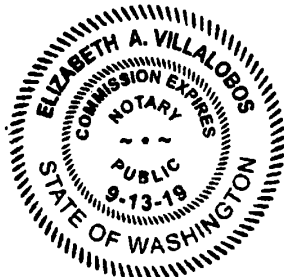
Its: Manager


By: 
Name: Melanie Corey
Its: Executive Director

STATE OF WASHINGTON)

COUNTY OF SKAGIT)

On this 30 day of April, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Melanie Corey, to me personally known (or proved on the basis of satisfactory evidence) to be the Executive Director of the **Housing Authority of Skagit County**, a public body corporate and politic of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said organization for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.




Elizabeth A Villalobos
NOTARY PUBLIC in and for the State of Washington
My Commission expires: 09/13/2019

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT
RASPBERRY RIDGE APARTMENTS

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Assumption Agreement to be executed as of the day and year written above and warrant by signing below that they have the authority to enter into this Assumption Agreement.

LENDER:

DEPARTMENT OF COMMERCE, a department of the state of Washington

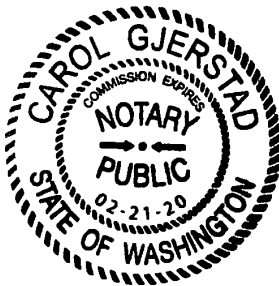
By: _____

[Signature]
Diane Klontz, Assistant Director, Community Services and Housing Division

STATE OF WASHINGTON)

COUNTY OF THURSTON)

On this 26th day of June, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Diane Klontz to me personally known (or proved on the basis of satisfactory evidence) to be the Assistant Director, Community Services and Housing Division of the **State of Washington, Department of Commerce**, a department of the state of Washington, and acknowledged said instrument to be the free and voluntary act and deed of said entity on behalf of said entity for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.



Carol Gjerstad

NOTARY PUBLIC in and for the State of Washington

My Commission expires: 02-21-2020

EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein is situated in the State of Washington, County of Skagit, and is described as follows:

Revised Lot 2 of December 2000 BLA, as delineated on the face of Survey recorded December 22, 2000 as Auditor's File No. 200012220099 and described as follows:

All that portion of Lots 1 and 2 of Revised Short Plat No. 7-85 approved December 3, 1985 and recorded December 4, 1985 in Book 7 of Short Plats, page 55 as Auditor's File No. 8512040005, being in Section 33, Township 35 North, Range 4 East, W.M., and in Tract 37, "PLAT OF BURLINGTON ACREAGE PROPERTY", as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington, lying East of the West ½ of said Tract 37, "PLAT OF BURLINGTON ACREAGE PROPERTY".

TOGETHER WITH a non-exclusive Easement for ingress, egress and utilities over, across and under that certain 40-foot wide easement as delineated on document recorded December 18, 2001 as Auditor's File No. 200112180107.