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07/02/2018 02:05 PM Pages: 1 of 8 Fees: \$106.00
Skagit County Auditor

AFTER RECORDING RETURN TO:

Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-3601
Attn: Michael Dill

GUARDIAN NORTHWEST TITLE CO.

115538

TRANSFER AGREEMENT

OID: 00-36

ACCOMMODATION RECORDING ONLY

(Raspberry Ridge I Apartments)

PURPOSE: Document is being recorded to maintain the terms of the **tax credit regulatory agreement** between the entities involved and the **Washington State Housing Finance Commission**

TRANSFEROR: **RASPBERRY RIDGE APARTMENTS LIMITED PARTNERSHIP**

TRANSFeree: **SL RASPBERRY RIDGE LLC**

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 Exhibit A)

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

REFERENCE NO(S): **200302270173**

TRANSFER AGREEMENT – RASPBERRY RIDGE I APARTMENTS

TRANSFER AGREEMENT

OID: 00-36

(Raspberry Ridge I Apartments)

Washington State Housing Finance Commission
Low Income Housing Tax Credit Program

THIS TRANSFER AGREEMENT ("Agreement") is entered into as of _____, 2018, by and among the **WASHINGTON STATE HOUSING FINANCE COMMISSION**, a public body corporate and politic (the "Commission"); **RASPBERRY RIDGE APARTMENTS LIMITED PARTNERSHIP**, a Washington limited partnership ("Transferor"), and **SL RASPBERRY RIDGE LLC**, a Washington limited liability company (the "Transferee").

WHEREAS, the Commission and Transferor entered into a Regulatory Agreement (Extended Use Agreement) dated November 14, 2002, and recorded February 27, 2003 in the official public records of Skagit County, Washington, under Auditor's File No. 200302270173 ("Tax Credit Regulatory Agreement"), affecting that certain property described on **Exhibit A** attached hereto (the "Property"), wherein the Commission reserved an amount of Credit for allocation to the Property and improvements thereon in which Transferor agreed to own and operate such 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 Tax Credit Regulatory Agreement and the Commission's low-income housing tax credit program (the "Program"); and

WHEREAS, Transferor intends to transfer all of its rights, title and interest in the Project and the Property to Transferee (the "Transaction").

NOW THEREFORE, the parties hereto agree as follows:

Transferor represents that it is not in default under the terms of the Tax Credit Regulatory Agreement.

1. 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.
2. Transferee hereby assumes and agrees to perform all of the obligations of Transferor under the Tax Credit Regulatory Agreement, and agrees to be bound by all of the covenants, terms and conditions thereof.

3. Transferor agrees that all of Transferor's rights under the Tax Credit Regulatory Agreement are transferred to Transferee and that Transferor has no further right to the federal low-income housing tax credit under such Tax Credit Regulatory Agreement (the "Credit") with respect to the Project.
4. 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, any ancillary agreements entered into between the Commission and Transferor, the Program and Section 42 of the Code.
5. Transferee hereby acknowledges that, pursuant to Section 42(j)((6) of the Code, as amended by Section 3004(c) of the Housing and Economic Recovery Act of 2008, the statute of limitations for assessing a recapture tax will not expire until three (3) years from the date the Internal Revenue Service is notified of a reduction in qualified basis.
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 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. 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.
8. 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.

9. 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.
10. 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.
11. 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.
12. This Agreement shall be governed by the laws of the State of Washington.
13. Transferor agrees to provide Transferee with the files, information, and data necessary to comply with the reporting requirements of the Tax Credit Regulatory Agreement.
14. 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.
15. This Agreement shall be effective on the date of its execution by a duly authorized representative of the Commission.

(Signature/acknowledgment pages follow)

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

TRANSFEROR:

**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

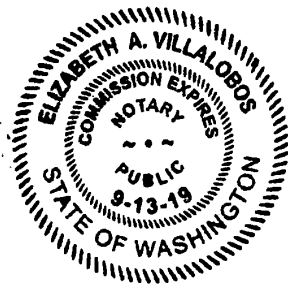
Title: Executive Director

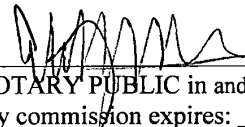
STATE OF WASHINGTON)

COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that Melanie Corey appeared before me, and acknowledged that she signed this instrument, on oath stated that she was authorized to execute this instrument, and acknowledged it as the Executive Director of 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, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on 4/30 2018.



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

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

TRANSFeree:

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: Sole Member and Manager

By: 

Name: Melanie Corey

Title: Executive Director

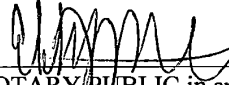
STATE OF WASHINGTON)

COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that Melanie Corey appeared before me, and acknowledged that she signed this instrument, on oath stated that she was authorized to execute this instrument, and acknowledged it as the Executive Director of Housing Authority of Skagit County, a public body corporate and politic of the State of Washington, the sole member and manager of **SL RASPBERRY RIDGE LLC**, a Washington limited liability company, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on 4/30 2018.



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

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

WASHINGTON STATE HOUSING FINANCE COMMISSION, a body corporate and politic of the State of Washington

By:

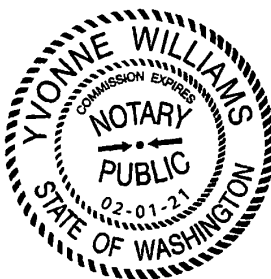


Kim Herman, Executive Director

STATE OF WASHINGTON)
)
COUNTY OF KING)

I hereby certify that I know or have satisfactory evidence that Kim Herman appeared before me, and acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the Executive Director of the **WASHINGTON STATE HOUSING FINANCE COMMISSION**, a body corporate and politic of the State of Washington, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal on May 25th 2018.




NOTARY PUBLIC in and for the State of Washington
My commission expires: 2-1-21

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.