

When Recorded Return to:

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

Attention: HFU Contracts/Fiscal - HTF

ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT

Grantor (Assignor): Housing Authority of Skagit County
 Grantee (Assignee): Housing Authority of Skagit County Mount Vernon Farmworker LLLP
 Beneficiary (Lender): Department of Commerce
 Legal Description (abbreviated): SW NW of Sec. 15, Twp. 34N., R. 4E., WM
 Assessor's Property Tax Parcel Number(s): P24832 & P113507
 Contract Number: 19-94110-018

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 21st day of October 2021, by and among Housing Authority of Skagit County, Washington public body corporate and politic, with its principal offices at 1650 Port Drive, Burlington, WA 98233 (hereinafter called "Assignor"), Housing Authority of Skagit County Mount Vernon Farmworker LLLP, a Washington limited liability limited partnership, whose mailing address is 1650 Port Drive Burlington, WA 98233 (hereinafter called "Assignee"), and the Department of Commerce, or its successor agency, whose location and mailing addresses are 1011 Plum St. SE and P.O. Box 42525, Olympia, Washington 98504-2525 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain Housing Trust Fund Contract Number 19-94110-018 dated as of even date herewith whereby Lender has agreed to loan Assignor Three Million 00/100 Dollars (\$3,000,000.00) (the "Contract");

WHEREAS, Assignor executed a Promissory Note (the "Note") dated of even date herewith to pay Lender or the holder of the Note the principal sum of Three Million and 00/100 Dollars (\$3,000,000.00);

WHEREAS, on the 14th day of October, 2021, to secure payment of the Note, Assignee executed a Deed of Trust (the "Deed of Trust") naming the Lender as the Beneficiary, which Deed of Trust was recorded under Skagit County Auditor's Number 202110220008 and concerned real property (the "Property") located in Skagit County, Washington described as follows:

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PARCEL A:**THE SOUTH 616 FEET OF THE FOLLOWING DESCRIBED PROPERTY:**

THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 34 NORTH, RANGE 4 EAST, W.M.

EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON BY DEED DATED MAY 29, 1986 AND RECORDED UNDER AUDITOR'S FILE NO. 8610010020, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKAGIT, STATE OF WASHINGTON.

PARCEL B:

AN EASEMENT FOR STORMWATER POND AS ESTABLISHED UNDER OPERATIONS, MAINTAINANCE, AND EASEMENT AGREEMENT FOR DRAINAGE AND STORMWATER FACILITIES RECORDED October 21, 2021, UNDER RECORDING NO. 202110210093.

(The Property),

WHEREAS, on the 14th day of October, 2021, Assignee, to restrict the use of the property for the term of commitment, executed a Low Income Housing Covenant (the "Covenant"), which Covenant was recorded under Skagit County Auditor's Number 202110210120 and concerned the real property described above; and

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations under the Contract and the Note and Assignee is willing to assume all of said obligations of Assignor thereunder; and

WHEREAS, Assignor seeks the consent of Lender to the assignment and assumption of the Contract and the Note as set forth herein, and Lender is willing to grant such consent on the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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

2. Assumption. Assignee hereby expressly assumes and agrees to make punctual payment when due (whether on the stated dates, by acceleration or otherwise) of the principal of and interest on the Note, as set forth in the Contract and the Note. Assignee further assumes all other obligations of Assignor under the

Contract and the Note subject to the nonrecourse provisions therein. Assignee hereby expressly assumes and agrees to perform, observe and confirm all the covenants, agreements, terms, conditions, obligations, duties and liabilities of Assignor under the Contract and the Note, and any other documents or instruments executed and delivered or furnished by Assignor in connection therewith.

3. Consent. Lender hereby consents to the foregoing assignment and assumption of the Assignor's obligations under the Contract and the Note pursuant to the terms and conditions set forth herein, provided, however, that the Assignor is not released from such obligations on account of such consent.

4. Representations and Warranties of Assignee. In order to induce Lender to consent to the assignment and assumption provided for herein, Assignee hereby represents to Lender that:

- (a) Assignee is a limited liability limited partnership duly organized and validly existing under the laws of the State of Washington.
- (b) Assignee has the full right, power and authority to conduct all of the activities which are now conducted by it or proposed to be conducted as contemplated by the Contract, to execute, deliver and perform under this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the Contract. The general partner of Assignee has full right, power and authority to execute and deliver this Assumption Agreement on behalf of Assignee.
- (c) There is no action, suit or proceeding or any investigation pending or, to the best of Assignee's knowledge, threatened against or affecting Assignee or its general partner 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 which is likely to have an adverse effect on Assignee's ability to assume the obligations and to fulfill the duties of Assignor under the Contract.
- (d) Neither Assignee nor its general partner is in default or alleged to be in default with respect to any judgment, order, writ, injunction or decree or in breach or alleged to be in breach or default under any material lease, contract, agreement, commitment, instrument or obligation to which it is a party or by which it or its property is bound; and to the best of Assignee's knowledge, there is no state of facts which is likely to create or cause a default or breach under any such material lease, contract, agreement, commitment, instrument or obligation.
- (e) To the best of Assignee's knowledge and belief, Assignee has complied in all material respects with all federal, state and local laws, regulations and orders applicable to the ownership of its properties and the conduct of its operations.
- (f) To the best of Assignee's knowledge and belief, Assignee has taken all limited liability limited partnership and other action, and Assignor, for itself and as the general partner of Assignee, has taken all corporate and other action, necessary to authorize the execution and delivery of this Assumption Agreement, and this Assumption Agreement is a valid and binding obligation of Assignee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other law and equity principles applied for the relief of debtors heretofore or hereafter enacted, to the extent that the same may be constitutionally

applied. To the best of Assignee's knowledge and belief, neither the execution and delivery of this Assumption Agreement nor the consummation of the transactions contemplated hereby will constitute a violation or breach of Assignee's First Amended and Restated Agreement of Limited Liability Limited Partnership or any provision of any contract or other instrument to which Assignee or Assignee's general partner is a party or by which either or the property of either is bound, or any constitutional provision, statute or ordinance, or any order, writ, injunction, decree, rule or regulation of any court or regulatory agency. No consent, order, authorization or other approval of any governmental body or agency is required in order for Assignee to execute, deliver and perform its obligations under this Assumption Agreement.

5. Representations and Warranties of Assignor. In order to induce Lender to consent to the assignment and assumption provided for herein, Assignor hereby represents to Lender that the representations and warranties of Assignor in the Contract are true and correct in all material respects as of the date hereof.

6. Further Assurances. At any time and from time to time, upon Lender's (or its successor agency's) request, Assignee will promptly and duly execute and deliver any and all further instruments and documents and take such further action as Lender may deem reasonable to effect the purposes of this Assumption Agreement, including (without limitation) the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction in order to place on the public records notice of the effect of this Assumption Agreement.

7. Survival of Representation and Warranties. All representations and warranties made in this Assumption Agreement and in any document, certificate or statement delivered by Assignee in connection herewith shall survive the execution and delivery of this Assumption Agreement.

8. Successors and Assigns. This Assumption Agreement shall be binding upon Assignee and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns; **provided, however** that Assignee shall not have the right to assign any of its obligations or rights hereunder, except as expressly provided herein, without the prior written consent of Lender.

9. Governing Law. This Assumption Agreement shall be governed by, construed and interpreted in accordance with, the laws of the State of Washington.

10. Non-Recourse Loan: Notwithstanding anything to the contrary herein, Assignor, the Assignee, its assigns and their respective members, partners, officers, directors, employees, agents and contractors shall have no personal liability for payment of the indebtedness evidenced hereby or performance of the covenants set forth in the Note, in the Deed of Trust or in the Contract, and the recourse of the holder hereof shall be confined to the exercise of its rights under the Deed of Trust, provided that nothing shall diminish the Assignor's liability for damages or deficiencies resulting from theft, waste, fraud, material misrepresentation and misuse of rents.

[SIGNATURE AND NOTARY PAGES FOLLOW]

