

When Recorded Return to:

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

Attention: MHU Contracts Specialist - HTF

REF AF# 202412200047
REF AF# 202412200048

ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT

GNW 24-21383 *(Site 3 - 2623 North 27th Street, Mount Vernon)*

GRANTOR (ASSIGNOR): **VILLAGE COMMUNITY SERVICES**

GRANTEE (ASSIGNEE): **VILLAGE HOUSING I, LLC**

BENEFICIARY (LENDER): **WASHINGTON STATE DEPARTMENT OF COMMERCE**

LEGAL DESCRIPTION (ABBREVIATED): Lot 12, REVISION TO PLAT OF FIRWEST ESTATES, DIVISION NO. 1

(Full Legal Description on Exhibit A, page 9)

TAX PARCEL NO(S): P81566/4406-000-012-0008

CONTRACT NUMBER: 23-94110-015

REFERENCE NO(S):

Document Title	Recording Number
Deed of Trust – Site 3	
Low Income Housing Covenant Agreement – Site 3	

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT (“Assumption Agreement”) is entered into as of this 20 day of December 2024, by and among **VILLAGE COMMUNITY SERVICES**, a Washington nonprofit corporation, with its principal offices at 3210 Smokey Point Drive, Suite 200, Arlington, Washington 98223-7805 (hereinafter called “Assignor”), **VILLAGE HOUSING I, LLC**, a Washington limited liability company, whose mailing address is 3210 Smokey Point Drive, Suite 200, Arlington, Washington 98223-7805 (hereinafter called “Assignee”), and the **WASHINGTON STATE DEPARTMENT OF COMMERCE**, or its successor agency, whose mailing address is 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525 (hereinafter called “Lender”).

WHEREAS, on May 23, 2024, Assignor formed Assignee, subject to the terms and conditions in that certain Limited Liability Company Agreement dated as of July 16, 2024 (the "Operating Agreement") in which Village Community Services is the sole managing Member, and the sole purpose of Assignee is to further the charitable mission of its Member in accordance with RCW 84.36.042; and

WHEREAS, Assignor and Lender entered into that certain Housing Trust Fund Contract Number 23-94110-015 with a final execution date of July 23, 2024 ("Contract"), whereby Lender agreed to award Assignor Four Million Five Hundred Three Thousand Nine Hundred Thirty-One and 00/100 Dollars (\$4,503,931.00) in the form of a recoverable grant ("Grant") in connection with the acquisition and rehabilitation of three (3) properties collectively known as Village Housing located in Skagit and Snohomish counties, Washington ("Project"); and

WHEREAS, the Grant proceeds are allocated among the three (3) scattered sites as follows:

Site Number	Street Address	Grant Allocation
1	2029 East Broadway Street, Mount Vernon, Washington 98274	\$1,428,901.00
2	8324 175th Street NE, Arlington, Washington 98223	\$1,544,446.00
3	2623 North 27th Street, Mount Vernon, Washington 98273	\$1,530,584.00

; and

WHEREAS, as of the effective date of this Assumption Agreement, three (3) of the three (3) properties in the Project have been acquired by the Assignee; and

WHEREAS, to evidence the Grant, Assignor executed a Promissory Note ("Note") dated July 19, 2024 in favor of Lender or the holder of the Note in the principal sum of Four Million Five Hundred Three Thousand Nine Hundred Thirty-One and 00/100 Dollars (\$4,503,931.00); and

WHEREAS, to secure payment of One Million Five Hundred Thirty Thousand Five Hundred Eighty-Four and 00/100 Dollars (\$1,530,584.00) of the total indebtedness owed under the Note, Assignee executed that certain Deed of Trust dated December 12, 2024, and recorded on December 20 _____, 2024 under Skagit County Auditor's File Number 202412200048 ("Deed of Trust - Site 3"), naming Lender as the Beneficiary and concerning the real property located in Skagit County, Washington legally described on **Exhibit A** attached hereto and incorporated herein by reference (including all improvements thereon) ("Property Site 3"); and

WHEREAS, to restrict the use of Property Site 3 to low income housing through the term of commitment, Assignee executed that certain Low Income Housing Covenant Agreement dated December 12, 2024, and recorded on December 20, 2024 under Skagit County Auditor's File Number 202412200047 ("Covenant - Site 3"); and

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights and obligations relating to Property Site 3 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 as relates to Property Site 3.

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 as relates to Property Site 3, 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 as relates to Property Site 3, 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 company 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 managing member 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 managing member 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 managing member 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 corporate and other action, and the managing member 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 Operating Agreement or any provision of any contract or other instrument to which Assignee or Assignee's managing member 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. Assignor and Assignee hereby acknowledge that all reserves current and future will remain with the project. The sale and transfer of the property shall result in no cash proceeds being disbursed to the Assignor.

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 – Site 3, 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 – Site 3, 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]

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

ASSIGNEE:

VILLAGE HOUSING I, LLC,
a Washington limited liability company

By: **Village Community Services,**
a Washington nonprofit corporation
Its: **Sole Member and Managing Member**

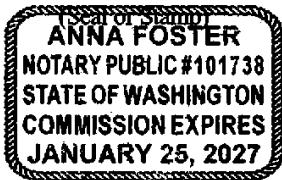
By: *Tami Wierman*

Printed Name: Tami Wierman

Title: Executive Director of Operations

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this 12th day of December 2024, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Tami Wierman, to me personally known (or proved to me on the basis of satisfactory evidence) to be the Executive Director of Operations of Village Community Services, a Washington nonprofit corporation, the Sole Member and Managing Member of Village Housing I, LLC, a Washington limited liability company, and acknowledged said instrument to be the free and voluntary act and deed of such corporation, on behalf of said company, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.



Anna Foster
(Signature of Notary)

Anna Foster
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires: January 25, 2027

EXHIBIT A

LEGAL DESCRIPTION

Lot 12, REVISION TO PLAT OF FIRWEST ESTATES, DIVISION NO. 1, as per plat recorded in Volume 12 of Plats, pages 89 and 90, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.