

AFTER RECORDING, RETURN TO:

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

Attention: MHU Contract Specialist - HTF

ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT

(Milwaukee Park Apartments)

GRANTOR (ASSIGNOR): **MILWAUKEE PARK APARTMENTS LIMITED PARTNERSHIP**

GRANTEE (ASSIGNEE): **COMPASS HEALTH**

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

LEGAL DESCRIPTION (ABBREVIATED): Unit 2, Milwaukee Park, a Condominium
 (Full Legal Description on Exhibit A, page 10)

TAX PARCEL NO(S): ~~3755-009-006-0204~~
 4983-001-002-0000/P128529

CONTRACT NUMBER: 07-94100-003

Documents Referenced:

Document Title	Recording Number
A & R Low Income Housing Covenant	201805180014
Deed of Trust	200712210021
Partial Release Low Income Housing Covenant	200910050083
Assignment, Assumption and Consent Agreement	200712210022

THIS ASSIGNMENT, ASSUMPTION, RELEASE AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 6 day of October 2025, by and among **MILWAUKEE PARK APARTMENTS LIMITED PARTNERSHIP**, a Washington limited partnership with its principal offices at 4526 Federal Avenue, Everett, Washington 98203 ("Assignor"), **COMPASS HEALTH** a Washington public benefit nonprofit corporation, with its principal offices at 4526 Federal Avenue, Everett, Washington 98203 ("Assignee"), and the **WASHINGTON STATE DEPARTMENT OF COMMERCE** (formerly known as the Washington State Department of Community, Trade and Economic Development), a

department of the State of Washington, whose location and mailing addresses are 1011 Plum Street SE, P.O. Box 42525, Olympia, Washington 98504-2525 ("Lender").

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 and the First Contract Amendment to the Department of Community, Trade and Economic Development or DEPARTMENT shall now be deemed references to the Department of Commerce; and

WHEREAS, Assignee and Lender entered into that certain Housing Trust Fund Contract Number 07-94100-003 effective as of November 29, 2007, as amended by that certain First Amendment to State Loan Agreement (as amended, the "State Loan Agreement"), whereby Lender agreed to loan Assignee Nine Hundred Ninety-Nine Thousand Two Hundred Sixty-Eight and 00/100 Dollars (\$999,268.00) ("State Loan"), in connection with the development of the property known as Milwaukee Park Apartments located in Skagit County, 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, Assignee executed that certain undated Promissory Note in favor of Lender ("State Note"), whereby Assignee agreed to pay Lender or the holder of the State Note the principal sum of Nine Hundred Ninety-Nine Thousand Two Hundred Sixty-Eight and 00/100 Dollars (\$999,268.00); and

WHEREAS, to secure payment of the State Note, Assignor executed that certain Deed of Trust dated November 16, 2007, and recorded on December 21, 2007, under Skagit County Auditor's File Number 200712210021 ("State Deed of Trust"), naming Lender as the Beneficiary; and

WHEREAS, Assignor executed that certain Low Income Housing Covenant Agreement dated October 29, 2007, and recorded on December 21, 2007, under Skagit County Auditor's File Number 200712210018, as amended and restated by that certain First Amended and Restated Low Income Housing Covenant Agreement dated March 28, 2018 and recorded on May 18, 2018 under Skagit County Auditor's File Number 201805180014 ("State Covenant") to restrict the use of certain residential units in the Property to low income households; and

WHEREAS, pursuant to that certain Assignment, Assumption and Consent Agreement dated as of November 16, 2007, and recorded on December 21, 2007, under Skagit County Auditor's File Number 200712210022 (the "Previous Assignment"), Compass Health, as assignor therein, assigned to Milwaukee Park Apartments Limited Partnership, as assignee therein, all of the rights and obligations of Compass Health under the State Loan Agreement and State Note; and

WHEREAS, the Previous Assignment incorrectly recited the date the State Loan Agreement was entered into as November 16, 2007; and

WHEREAS, the State Deed of Trust incorrectly recited the date of the State Note as being November 16, 2007; 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 First Amendment to the State Loan Agreement, the State Note, the State Deed of Trust, the

State Covenant, First Amendment to the State Covenant (collectively, the "State Loan Documents"), as existing or as they may be 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 Compass Health, a Washington public benefit nonprofit corporation, 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 4526 Federal Avenue, Everett, Washington 98203, until changed by written notice to the Lender under the State Loan Documents.
- (d) Lender hereby releases and forever discharges Assignor 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.
- (e) 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.

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 Washington nonprofit corporation 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.
 - (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 Loan Agreement, State Note, 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. **Governing Law.** This Assumption Agreement shall be governed by, construed and interpreted in accordance with, the laws of the State of Washington.
11. **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 AND NOTARY PAGES 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:

MILWAUKEE PARK APARTMENTS LIMITED PARTNERSHIP, a Washington limited partnership

By: **COMPASS HEALTH**, a Washington public benefit nonprofit corporation, its General Partner

By: Tom Sebastian

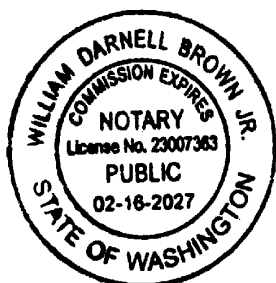
Print Name: Tom Sebastian

Title: President

CEO

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this 6th day of October 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Tom Sebastian, to me personally known (or proved to me on the basis of satisfactory evidence) to be the President/CEO of Compass Health, a Washington public benefit nonprofit corporation, the General Partner of Milwaukee Park Apartments Limited, a Washington limited partnership, and acknowledged said instrument to be the free and voluntary act of such corporation, on behalf of said partnership, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.



William D. Brown Jr.
NOTARY PUBLIC in and for the State of Washington

My Commission expires: 16 FEBRUARY 2027

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:

COMPASS HEALTH, a Washington public benefit nonprofit corporation

By: Tom Sebastain

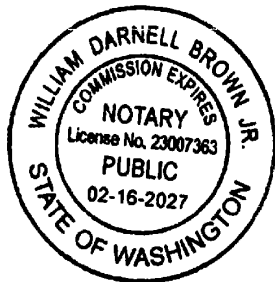
Print Name: Tom Sebastain

Title: President

CEO

STATE OF WASHINGTON)
) ss.
COUNTY OF SNOHOMISH)

On this 6th day of October, 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Tom Sebastain, to me personally known (or proved to me on the basis of satisfactory evidence) to be the President/CEO of **Compass Health**, a Washington nonprofit corporation, and acknowledged said instrument to be the free and voluntary act of such corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument.



William D. Brown Jr.
NOTARY PUBLIC in and for the State of Washington

My Commission expires: 16 FEBRUARY 2027

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.

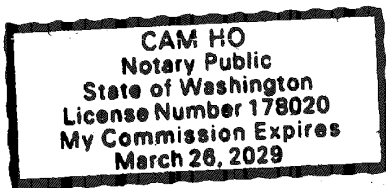
LENDER:

WASHINGTON STATE DEPARTMENT OF COMMERCE,
a state agency

By: Tedd Keller
Tedd Keller, Assistant Dir., Housing Division

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On this 14 day of October 2025, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared TEDD KELLEHER, to me personally known (or proved to me on the basis of satisfactory evidence) to be the Interim Director of the Housing Division of the **Washington State Department of Commerce**, a department of the State of Washington, and acknowledged said instrument to be the free and voluntary act and deed of such department, for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute the said instrument.



Cam Ho
NOTARY PUBLIC in and for the State of Washington
My Commission expires: March 26, 2029

EXHIBIT A**LEGAL DESCRIPTION**

The Land in the County of Skagit, State of Washington, described as follows:

Unit 2, "MILWAUKEE PARK, A CONDOMINIUM", as per Survey Map and Plans recorded on April 16, 2009, under Auditor's File No. 200904160089, records of Skagit County, Washington and as established in the Declaration of Condominium recorded on April 16, 2009, under Auditor's File No. 200904160090, and any amendments thereto, records of Skagit County, Washington.