

When Recorded Return to:

The Washington State Department of  
Community, Trade and Economic Development  
Housing Trust Fund Program  
906 Columbia Street Southwest  
P.O. Box 48300  
Olympia, WA 98504-8300  
Attn.: Richard Penton



199911230043

Kathy Hill, Skagit County Auditor  
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**ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT**

58831  
FIRST AMERICAN TITLE CO.

Reference No. 9906040086 of related documents on page 1 of document Deed of Trust.

Grantor(s) Salem Village

Grantee(s) Salem Village Limited Partnership

Legal Description: (abbreviated): SECTION 8, TOWNSHIP 34, RANGE 4; PORTION GOVERNMENT LOT 7.

Additional legal(s) on attachment known as Exhibit A

Assessor's Property Tax Parcel Number(s): 340408-0-13-0003 340408-0-013-0200

THIS ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT ("Assumption Agreement") is entered into as of this 3<sup>rd</sup> day of June, 1999, by and among Salem Village, a Washington not-for-profit corporation with its principal offices at 2619 La Venture Road, Mt. Vernon, WA 98273 (hereinafter called "Assignor"), Salem Village Limited Partnership, a Washington limited Partnership company with its principal offices at P O Box 2116, Mt. Vernon Washington, (hereinafter called "Assignee"), and The State of Washington Department of Community, Trade and Economic Development, whose address is 906 Columbia Street, P.O. Box 48300, Olympia, Washington 98504-8300 (hereinafter called "Lender").

WHEREAS, Assignor and Lender are parties to that certain HAP Loan Agreement (Contract Number 99-49300-496) dated as of April 16<sup>th</sup>, 1999, whereby Lender has agreed to loan Assignor Two Hundred and Twenty Thousand Dollars (the "Loan Agreement");

WHEREAS, Assignor executed a Promissory Note (the "Note") dated June 3, 1999 to pay Lender or the holder of the Note the principal sum of Two Hundred and Twenty Thousand Dollars;

WHEREAS, Assignor wishes to assign to Assignee and to have Assignee assume all of Assignor's rights, specifically including the rights to receipt of the loan and obligations under the Loan Agreement and Assignee is willing to assume all of said rights and obligations of Assignor thereunder; specifically including the obligations pursuant to the Note;

WHEREAS, Assignor seeks the consent of Lender to the assignment and assumption of the Loan Agreement as set forth herein,

WHEREAS, Lender is willing to consent to such assignment and assumption upon the execution by Assignee of this Assumption Assignment and Consent Agreement and the execution and recording against the real property of Assignee of a Deed of Trust securing the obligations under the Loan Agreement and a Low Income Housing Covenant;

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 Loan Agreement and Note, specifically including the right to receive the proceeds of the Loan Agreement.

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 Loan and the Note, as set forth in the Loan Agreement and the Note. Assignee further assumes all other obligations of Assignor under the Loan Agreement, the Note and Deed of Trust, 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 Loan Agreement and 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 Loan Agreement, and the Note pursuant to the terms and conditions set forth herein.

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 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 Loan Agreement, to execute, deliver and perform under this Assumption Agreement, and to assume the obligations of Assignor and to fulfill its duties under the Loan Agreement. The general partner of Assignee has full right, power and authority to execute and deliver this 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 Loan Agreement.
- (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.



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(f) To the best of Assignee's knowledge and belief, Assignee has taken all partnership and other action, and the general partner 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 Agreement of 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:

(a) The representations and warranties of Assignor in the Loan Agreement 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 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 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 and construed and interpreted in accordance with, the laws of the State of Washington.

IN WITNESS WHEREOF, the undersigned have caused this Assumption Agreement to be duly executed and delivered by their duly authorized representatives on the day and year first above written.

ASSIGNOR:

Salem Village, a Washington not-for-profit corporation

By: 

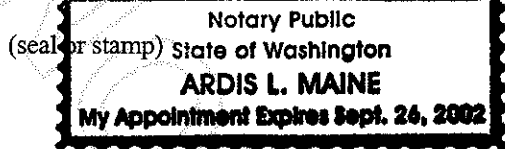
Print Name Kent Haberly

Title: President





Date: June 3, 1999



Ardis L. Maine NOTARY PUBLIC  
in and for the State of Washington,  
residing at Shoreline  
My commission expires 9-26-02

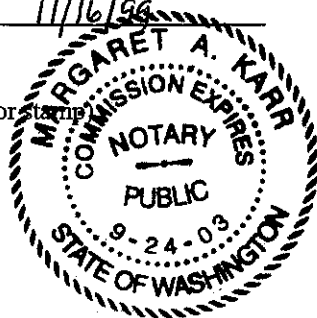
STATE OF WASHINGTON )  
 ) ss  
COUNTY OF THURSTON )

On this 16<sup>th</sup> day of December, 1999, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared W. E. Hunter, to me known to be the Assistant Director of the Department of Community, Trade and Economic Development of The State of Washington that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath state that he/she was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Date: 11/16/99

(seal or stamp)



Margaret A. Karr NOTARY PUBLIC  
in and for the State of Washington,  
residing at Olympia  
My commission expires September 24, 2003



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EXHIBIT "A"

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

Lot 2, of Mt. Vernon Short Plat No. MV-8-94, approved July 1, 1997 and recorded July 1, 1997 under Auditor's File No. 9707010107 in Volume 13 of Short Plats, page 18, records of Skagit County, WA.

TOGETHER with that portion of Lot 3, of said Mt. Vernon Short Plat No. MV-8-94, described as follows:

Beginning at the Northeast corner of said Lot 3; thence North 87 degrees 57'29" West, along the North line of said Lot 3, a distance of 53.24 feet to an angle point in said Lot 3; thence South 21 degrees 12'42" West, along the boundary of said Lot 3, a distance of 57.20 feet; thence South 0 degrees 11'21" West, parallel with the East line of said Lot 3, a distance of 475.65 feet to a point on the North line of a 60.00-foot wide utility and access easement as shown on said short plat, said point lies North 87 degrees 57'29" West, 53.64 feet from the Southwest corner of Lot 2 of said short plat; thence South 87 degrees 57'29" East, along said North line, 53.64 feet to said Southwest corner; thence North 0 degrees 11'21" East, along said East line of Lot 3, also being the West line of said Lot 2, a distance of 229.71 feet to an angle point in said Lot 3, said angle point also being the Northwest corner of said Lot 2, thence South 87 degrees 57'29" East, along the North line of said Lot 2, a distance of 20.14 feet to an angle point in said Lot 3; thence North 0 degrees 11'21" East, along said East line of Lot 3, a distance of 300.00 feet to the POINT OF BEGINNING.



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