

**AFTER RECORDING RETURN TO:**

Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, Washington 98104-1046

**TRANSFER AGREEMENT**

**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.

**Current Owner/Transferor:** [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ]

**Proposed New Owner/Transferee:** [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ]

**Legal Description:**

[ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ ]

Situate in [ \_\_\_\_\_ ] County, State of Washington

Additional legal on page [ \_\_\_\_ ] of document

**Assessor's Property Tax Parcel/Account Number(s):** [ \_\_\_\_\_ ]

**Reference number(s) of documents being assigned or related documents:** [ \_\_\_\_\_ ]

**TRANSFER AGREEMENT**  
**[PROPERTY NAME] OAR #[\_\_\_\_\_]**  
Washington State Housing Finance Commission  
Tax Credit Regulatory Agreement

THIS TRANSFER AGREEMENT ("Agreement") is entered into as of [DATE] by and among the **Washington State Housing Finance Commission** (the "Commission"), a public body corporate and politic; [CURRENT OWNER'S NAME], a [\_\_\_\_\_] ("Transferor"); and [PROPOSED NEW OWNER'S NAME], a [\_\_\_\_\_] ("Transferee").

WHEREAS, the Commission and Transferor entered into a Regulatory Agreement (Extended Use Agreement) (the "Tax Credit Regulatory Agreement") which was dated [\_\_\_\_\_] , and recorded [RECORDING DATE OF TAX CREDIT REGULATORY AGREEMENT] in the official public records of [\_\_\_\_\_] County, Washington, under Auditor's File No. [\_\_\_\_\_] 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");

WHEREAS, Transferor intends to transfer all of its rights, title and interest in the Project including the Land and improvements thereon to the 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. Transferee hereby agrees to post a bond as described in Section 42(j)(6) of the Code within 60 days of the Transaction, if necessary to avoid recapture of the Credit.

5. 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.

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(1)(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.

**[Signatures on Following Page]**

This Agreement shall be effective on the date of its execution by a duly authorized representative of the Commission.

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

**TRANSFEROR:**

**[CURRENT OWNER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**TRANSFeree:**

**[PROPOSED NEW OWNER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**WASHINGTON STATE HOUSING  
FINANCE COMMISSION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the said instrument as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of \_\_\_\_\_  
residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_ duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the said instrument as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of \_\_\_\_\_  
residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_



Exhibit A

Legal Description

SAMPLE