

Recording Requested By:  
Rainier National Bank

When Recorded Mail To:  
Rainier National Bank

Burlington Office  
P. O. Box A  
Burlington, WA 98233

**8606190045**

10<sup>00</sup>  
JERRY MCINTURFF  
SKAGIT COUNTY AUDITOR

'86 JUN 19 P3:22

REQUEST OF \_\_\_\_\_

LAND TITLE COMPANY OF SKAGIT COUNTY

(Reserved For Auditor's Use Only)

T-56786

ASSIGNMENT OF LEASE BY LESSEE FOR SECURITY PURPOSES

FOR VALUE RECEIVED, Steven H. Johnson and Robyn A Johnson, husband and wife; Paul D. Johnson and Wendy M. Johnson, husband and wife; and Richard J. Abbott and Barbara A. Abbott, husband and wife, as Assignor, hereby transfers, conveys, assigns, grants and delivers unto RAINIER NATIONAL BANK ("Rainier"), a national banking association, at its Burlington Office, all of Assignor's right, title, estate and interest in and to a certain Lease entered into on March 1, 1981, and all renewals, modifications and extensions thereof between East Division Corporation, as Landlord, and Steven H. Johnson and Paul D. Johnson d/b/a North Cascade Family Physicians, and as assigned to and held of record by Assignor, as tenants in common, as Tenant pertaining to a certain parcel of real property situated in Skagit County, Washington ("Premises") as more particularly described in Exhibit "A" attached hereto.

The Lease and Agreement were recorded in the Office of the Skagit County Auditor under Recording Number 8108140076.

NOW, THEREFORE, in order to induce Rainier to extend credit and make advances to Assignor, together with all renewals, modifications and extensions thereof, and to secure the prompt and faithful payment of all obligations of Assignor to Rainier, at any of its offices, and the performance and observation of all agreements and covenants arising under various loan documents and this Assignment, Assignor hereby agrees as follows:

1. Granting of Security Interest. This Assignment is given as security for Assignor's indebtedness to Rainier in the principal sum of \*\*\*\*\* Dollars (\$160,000.00\*\*) as evidenced by a One Hundred Sixty Thousand Dollars

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certain promissory note dated June 10, 1986, and all renewals, modifications and extensions thereof, and all such further sums as may be advanced or loaned by Rainier, at any of its offices, to Assignor, including all renewals, modifications and extensions thereof. Nothing herein shall, however, obligate Rainier to make any such future loan or advance. If any such future loan or advance is made, it shall be conclusively deemed to have been made and granted in reliance upon this Assignment, regardless of any other security which may have been taken or held therefor. This Assignment shall be prior and paramount to all other assignments, pledges, liens and security interests.

2. Disclaimer. Rainier shall not have any obligation under the Lease or with respect to the Premises until such time as it acquires possession of the Premises. So long as Assignor is not in default under this Assignment or any obligation secured hereby, whether now existing or hereafter incurred, Assignor shall have exclusive possession of the Premises.

3. Covenant of Cooperation. Assignor shall complete and execute all documents as may be reasonably necessary or appropriate to transfer to Rainier all of Assignor's right, title and interest to the Lease and to perfect Rainier's security interest therein.

4. Representations and Warranties. Assignor hereby warrants and covenants that Assignor shall:

4.1 Ownership and Liens. Assign a valid Lease, free of any adverse claim, encumbrance, lien, security interest or charge of any kind whatsoever;

4.2 Restrictions on Conveyance and Encumbrances. Not create, cause or permit the existence of any claim, encumbrance, lien, security interest or charge to be imposed upon or asserted against the Lease or Premises, nor sell, transfer or convey any interest in the Lease or the Premises, so long as any obligation secured hereby is outstanding;

4.3 Taxes. Pay before delinquency all taxes, assessments and other governmental charges levied on or against the Lease or Premises;

4.4 Insurance. Keep the Premises in good condition and continuously insured, at Assignor's expense, against such risks and in such amounts as Rainier may request and with such insurance companies as are acceptable to Rainier, and provide to Rainier evidence of such insurance. All such policies shall contain a standard loss payable clause naming Rainier as loss payee. Rainier is appointed Assignor's attorney-in-fact to adjust and settle, in Rainier's sole discretion, all claims for damage or loss to the Premises and to endorse all checks,

drafts or other instruments payable to Assignor by reason of any such claim;

4.5 Performance. Faithfully and promptly perform and discharge, at Assignor's expense, every term, covenant and condition of the Lease and every obligation secured hereby when the same become due, and pay any deficiency remaining after realization upon this Assignment by Rainier;

4.6 Modification of Lease. Not alter, modify, or terminate the Lease without Rainier's prior written consent;

4.7 Preservation of Security Interest. Protect and defend Rainier's interest hereunder against all adverse claims of any nature whatsoever;

4.8 Reimbursement of Expenses. Pay to Rainier on demand the amount of all expenses reasonably incurred by Rainier in perfecting, maintaining or realizing upon its security interest under this Assignment, including reasonable attorney's fees, together with interest thereon at the highest rate permitted under the obligation from the date on which such expenses are incurred;

4.9 Inspection. Permit any authorized representative designated by Rainier to examine and inspect the Premises at any reasonable time; and

4.10 Compliance. Permit Rainier, at its option, to do anything which Assignor has covenanted to do or is entitled to do by reason of the Lease, including the enforcement of each obligation of Lessor under the Lease as Assignor's attorney-in-fact and the initiation of such proceedings or actions as Rainier deems necessary or desirable to effect such compliance, all at Assignor's expense.

5. Events and Consequence of Default.

5.1 Events of Default. Time is of the essence of this Assignment, and the occurrence of any of the following events shall, at the option of Rainier and at any time without regard to any previous knowledge on the part of Rainier, constitute a default by Assignor under the terms of this Assignment, the obligations secured hereby and all other related loan documents to be executed in connection with this Assignment ("Events of Default"):

5.1.1 Non-payment of Principal or Interest. Assignor shall default in any payment when due of principal or interest on any of the obligations secured hereby;

5.1.2 Misrepresentations. Any representation or warranty made in connection with this Assignment, any related loan document or any certificate or report furnished pursuant thereto is determined by Rainier to be incorrect, false or misleading in any material respect as of the date made;

5.1.3 Failure to Perform. Any other term, covenant or agreement contained in this Assignment or any related loan document is not performed or satisfied and such failure continues unremedied for thirty (30) days after written notice thereof has been given to Assignor by Rainier;

5.1.4 Condemnation. A substantial portion of Assignor's property, in Rainier's sole opinion is affected by any significant loss, damage, destruction, theft, sale or encumbrance other than created herein; or is condemned, seized or appropriated;

5.1.5 Attachment Proceedings and Insolvency. Assignor, or any of Assignor's property becomes affected by any (a) lien, judgment, execution, attachment or garnishment; (b) general assignment for the benefit of creditors; (c) sequestration or forfeiture; or (d) proceeding under the laws of any jurisdiction relating to receivership, insolvency or bankruptcy, whether voluntarily or involuntarily instituted or brought including, without limitation, any reorganization of assets, deferment or arrangement of Assignor's debts or any similar proceeding, unless any proceeding involuntarily brought against Assignor is dismissed within sixty (60) days;

5.1.6 Change of Affairs. There is a material change in the condition or affairs (financial or otherwise) of Assignor or of any co-maker, endorser, surety or guarantor of the obligations secured hereby which in Rainier's opinion impairs Rainier's security or increases its risks; or

5.1.7 Extraordinary Situation. Any extraordinary situation occurs which gives Rainier reasonable grounds to believe that Assignor may not be able to perform or observe, in the normal course, its obligations under this Assignment or under any obligations secured hereby.

5.2 Consequence of Default. If any Event of Default shall occur and be continuing, Rainier may (a) terminate any outstanding and unfulfilled commitment under the obligations secured hereby; (b) declare all or any part of the obligations secured hereby, at Rainier's option, to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Borrower; (c) pursue all legal and equitable remedies Rainier deems desirable; and (d) demand Assignor to immediately place Rainier in possession of the Premises. All of Rainier's rights and remedies, whether evidenced herein

or by any other writing, shall be cumulative and can be exercised separately or concurrently.

6. Attorney's Fees and Legal Expenses. If this Assignment or any obligation secured hereby is referred to an attorney for enforcement, collection or realization, Assignor shall pay Rainier's reasonable attorney's fees and collection expenses, including, without limitation, all fees incurred in either a trial or appellate court, or without suit, expenses of title search, all court and sheriff's costs, and all other legal and collection expenses.

7. Notices. All notices, demands or other communications to be given or delivered under or by reason of this Assignment shall be in writing and shall be deemed to have been given when personally delivered, mailed by registered or certified mail, postage prepaid and addressed as follows, or as later designated in writing:

If to Rainier National Bank:

Rainier National Bank  
Burlington Office  
230 E. Fairhaven  
Burlington, WA 98233

If to Assignor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Waiver. No waiver or modification by Rainier of any term or condition of this Assignment shall be effective, unless in writing and signed by a duly authorized representative of Rainier. Further, no waiver or indulgence by Rainier of any deviation by Assignor from full performance of this Assignment or any obligation secured hereby shall constitute a waiver of Rainier's right to full, strict and timely performance of this Assignment or any obligation secured hereby.

9. Assignment. This Assignment is equally binding upon and shall inure to the benefit of the respective heirs, administrators, executors, successors and assigns of the parties hereto.

10. Modifications. Neither this Assignment, nor any provision hereof shall be orally modified, waived or discharged, and only a written statement signed by the party against whom enforcement of such modification, waiver or discharge is sought shall be binding.



11. Construction. Each and every term and provision of this Assignment shall be construed and governed in accordance with the laws of the State of Washington. The captions and organizations of this Assignment are for convenience only, and do not constitute a part of this Assignment and shall not be deemed to limit, characterize or in any way affect any provision of this Assignment. In essence, all provisions of this Assignment shall be enforced and construed as if no captions have been used.

IN WITNESS WHEREOF, Assignor has caused this Assignment to have been duly executed as of the 10th day of June, 1986

Steven H. Johnson  
Steven H. Johnson

Robyn A. Johnson  
Robyn A. Johnson

Paul D. Johnson  
Paul D. Johnson

Wendy M. Johnson  
Wendy M. Johnson

Richard J. Abbott  
Richard J. Abbott

Barbara A. Abbott  
Barbara A. Abbott

STATE OF WASHINGTON )  
COUNTY OF Skagit ) ss

On this day personally appeared before me Steven H. Johnson, Robyn A. Johnson, Paul D. Johnson, Wendy M. Johnson, Richard J. Abbott and Barbara A. Abbott to me known to be the individuals who executed the foregoing instrument, and acknowledged to me that they executed the same for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal this 10th day of June, 1986

C. M. Vander Griend  
NOTARY PUBLIC in and for the  
State of Washington, residing  
at Mount Vernon

My Commission Expires:  
June 26, 1989

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