

Recorded at the Request of
and after Recording Return to:

Mark J. Barak, Esq.
Nicholson Investment Properties, Inc.
2333 Carillon Point
Kirkland, WA 98033



199909130160

Kathy Hill, Skagit County Auditor

9/13/1999 Page 1 of 8 4:19:24PM

Grantor: Adrienne Lau, trustee of the Adrienne Lau Revocable Living Trust Agreement dated November 17, 1988, as Amended, Kelvin Properties, L.L.C. (FKA Commercial Realty Group L.L.C.), and Brent C. Nicholson, L.L.C.

Grantee: Amber Investments, L.L.C., Kelvin-Burlington, L.L.C., and Brent C. Nicholson, L.L.C.

Abbreviated Legal Description: Southwest ¼ of the Northwest ¼ of Section 5, Township 34 North, Range 4 East, W.M. Additional Legal Descriptions page A-1.

Assessor's Tax Parcel ID: 8013-000-003-0000

ISLAND TITLE CO.

SB-14817✓

ASSIGNMENT AND ASSUMPTION OF LEASES

This ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") dated this 17th day of August, 1999, is by and between ADRIENNE LAU as trustee of the Adrienne Lau Revocable Living Trust Agreement dated November 17, 1988, as Amended, KELVIN PROPERTIES, L.L.C., a Washington limited liability company (FKA Commercial Realty Group L.L.C.) and BRENT C. NICHOLSON, L.L.C., a Washington limited liability company (collectively, "Assignor"), and AMBER INVESTMENTS, L.L.C., a Washington limited liability company, KELVIN-BURLINGTON, L.L.C., a Washington limited liability company and BRENT C. NICHOLSON, L.L.C., a Washington limited liability company (collectively, "Assignee").

Assignor was the owner, as tenants in common, of the property described on **Exhibit A** together with the improvements located thereon (the "Property"). As of the date of this Assignment, Kelvin Properties, L.L.C. has assigned its interest in the Property to Kelvin-Burlington, L.L.C. and Adrienne Lau has assigned her interest in the property to Amber Investments, L.L.C., making the Assignee the current owner of the Property.

RECORDED UNDER AF# 199909130157

Assignor and Assignee desire to execute this Assignment whereby Assignor assigns and Assignee assumes all of Assignor's obligations under all leases relating to the Property, including the leases described on **Exhibit B** (the "Leases").

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) paid by Assignee to Assignor, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. Assignor does hereby assign and transfer to Assignee all of Assignor's right, title and interest in the Leases. Assignee does hereby assume any and all of Assignor's obligations of any kind or nature under the Leases and which arise or accrue from and after the date of this Assignment (the "Effective Date").

2. Indemnification.

2.1 Assignee. Assignee agrees to fully, completely and unconditionally indemnify and hold Assignor harmless from and against any and all claims, losses, expenses, liabilities, damages, including, without limitation, interest and penalties, attorneys' fees, and all amounts paid in settlement of any claim, which may be asserted against Assignor, or which Assignor may incur or suffer and arise from and after the Effective Date and result from or relate directly or indirectly, to any of the Leases.

2.2 Assignor. Assignor agrees to fully, completely and unconditionally indemnify and hold Assignee harmless from and against and with respect to any and all claims, losses, expenses, liabilities, damages, including, without limitation, interest and penalties, attorneys' fees and all amounts paid in settlement of any claim which may be asserted against Assignee, or which Assignee may incur or suffer and which arise prior to the Effective Date and result from or relate directly or indirectly, to any of the Leases.

3. Attorneys' Fees. In the event of litigation between the parties hereto, declaratory or otherwise, in connection with or arising out of this Agreement, the prevailing party shall recover from the non-prevailing party all actual costs, actual damages and actual expenses, including attorneys' fees and charges, paralegal and clerical fees and charges and other professional or consultants' fees and charges expended or incurred in connection therewith, as set by the court, including for appeals, which shall be determined and fixed by the court as part of the judgment. In addition, if either party is held by a court or arbitrator to owe to the other a sum of money, whether as damages, indebtedness, or otherwise for breach of this Agreement, such party shall also owe to and pay the other party interest on such sum from the time of the breach until paid at the rate of twelve percent (12%).

4. Binding. This Assignment shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

ASSIGNOR:

Adrienne Lau
ADRIENNE LAU, trustee of the Adrienne
Lau Revocable Living Trust Agreement
dated November 17, 1988, as Amended

KELVIN PROPERTIES, L.L.C.

By: J. Terry Moss
J. Terry Moss, Member

BRENT C. NICHOLSON, L.L.C.

By: Brent C. Nicholson
Brent C. Nicholson, Member

ASSIGNEE:

AMBER INVESTMENTS, L.L.C.

By: Adrienne Lau, TRUSTEE
Adrienne Lau, Member
TRUSTEE DL RUN:P

KELVIN-BURLINGTON, L.L.C.

By: J. Terry Moss
J. Terry Moss, Member

BRENT C. NICHOLSON, L.L.C.

By: Brent C. Nicholson
Brent C. Nicholson, Member

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

SEP 13 1999

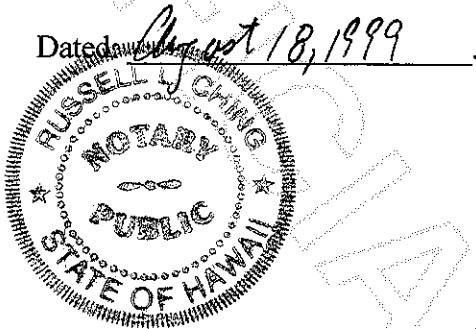
Amount Paid \$ 0-
Skagit Co. Treasurer
By W Deputy



199909130160
Kathy Hill, Skagit County Auditor
9/13/1999 Page 3 of 8 4:19:24PM

STATE OF HAWAII)
)ss.
COUNTY OF HONOLULU)

I certify that I know or have satisfactory evidence that Adrienne Lau is the person who appeared before me, and said person acknowledged that she signed this instrument and on oath stated that she was authorized to execute the instrument and acknowledged it as the Trustee of the Adrienne Lau Revocable Living Trust Agreement dated November 17, 1988, as Amended, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



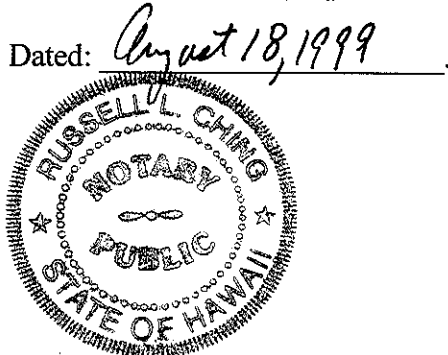
Russell L. Ching
(Signature of Notary Public)

Russell L. Ching
(Printed Name of Notary Public)

My Appointment expires May 16, 2000

STATE OF HAWAII)
)ss.
COUNTY OF HONOLULU)

I certify that I know or have satisfactory evidence that Adrienne Lau is the person who appeared before me, and said person acknowledged that she signed this instrument and on oath stated that she was authorized to execute the instrument and acknowledged it as a Member of Amber Investments, L.L.C., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Russell L. Ching
(Signature of Notary Public)

Russell L. Ching
(Printed Name of Notary Public)

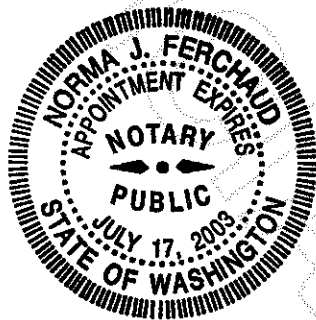
My Appointment expires May 16, 2000



STATE OF WASHINGTON)
)ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that J. Terry Moss is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged it as a Member of Kelvin Properties, L.L.C., a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 8-17-99.



Norma Ferchaud
(Signature of Notary Public)

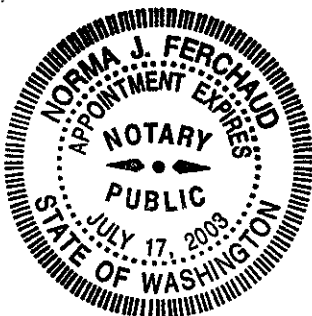
Norma Ferchaud
(Printed Name of Notary Public)

My Appointment expires 7-17-03

STATE OF WASHINGTON)
)ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that J. Terry Moss is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged it as a Member of Kelvin-Burlington, L.L.C., a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 8-17-99.



Norma Ferchaud
(Signature of Notary Public)

Norma Ferchaud
(Printed Name of Notary Public)

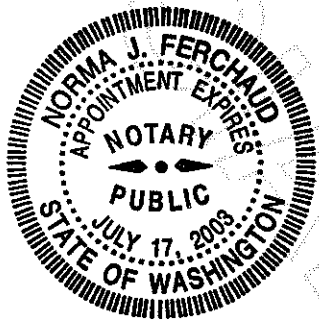
My Appointment expires 7-17-03



STATE OF WASHINGTON)
)ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Brent C. Nicholson is the person who appeared before me, and said person acknowledged that he signed this instrument and on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of Brent C. Nicholson, L.L.C., a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 8-17-99.



Norma Ferchaud
(Signature of Notary Public)

Norma Ferchaud
(Printed Name of Notary Public)

My Appointment expires 7-17-03



EXHIBIT A

LEGAL DESCRIPTION

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

Lot 3, Fred Meyer Retail Store Building Site Plan, approved December 29, 1993, and recorded January 10, 1994, under Auditor's File No. 9401100038, in Volume 11 of Short Plats, Pages 41-48, inclusive, being a portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 5, Township 34 North, Range 4 East, W.M.

TOGETHER WITH those certain rights including, but not limited to, ingress, egress, utilities and parking as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements recorded September 10, 1993 under Auditor's File No. 9309100062, records of Skagit County, Washington, as amended by that certain First Amendment recorded October 16, 1996 under Auditor's File No. 9610160077, records of Skagit County, Washington.

EXHIBIT B

LEASES

THAT CERTAIN LEASE DATED OCTOBER 21, 1997, BETWEEN NO APPLES I – BURLINGTON, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY AND HOLLYWOOD ENTERTAINMENT CORPORATION.

THAT CERTAIN LEASE DATED FEBRUARY 25, 1999, BETWEEN ADRIENNE WING AS TRUSTEE UNDER THE ADRIENNE LAU REVOCABLE LIVING TRUST DATED NOVEMBER 17, 1988, AS AMENDED, BRENT C. NICHOLSON, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY, AND COMMERCIAL REALTY GROUP L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY, TENANTS IN COMMON AND N.W. PREMIER INVESTMENTS, INC.

THAT CERTAIN LEASE DATED APRIL 13, 1999, BETWEEN ADRIENNE WING AS TRUSTEE UNDER THE ADRIENNE LAU REVOCABLE LIVING TRUST DATED NOVEMBER 17, 1988, AS AMENDED, BRENT C. NICHOLSON, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY, AND KELVIN PROPERTIES, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY, TENANTS IN COMMON AND STARBUCKS CORPORATION, A WASHINGTON CORPORATION.

THAT CERTAIN LEASE DATED APRIL 29, 1999, BETWEEN ADRIENNE WING AS TRUSTEE UNDER THE ADRIENNE LAU REVOCABLE LIVING TRUST DATED NOVEMBER 17, 1988, AS AMENDED, BRENT C. NICHOLSON, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY, AND KELVIN PROPERTIES, L.L.C., A WASHINGTON LIMITED LIABILITY COMPANY (FKA COMMERCIAL REALTY GROUP L.L.C.), TENANTS IN COMMON AND JERROLD B. HENRY.

