



200301170113

Skagit County Auditor

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After Recording Return to:
Chester T. Lackey
900 Dupont Street
Bellingham, WA 98225

Document Title:	Lease Assignment and Assumption Agreement
Grantor:	S.K.Y. Domes Enterprises, Inc.
Grantee:	The Skagit Valley Family YMCA, a Washington non-profit corporation
Legal:	a ptr of SW ¼ of SE ¼, 16-34-4 E W.M.
Parcel #:	340416-4-011-0007

LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT is made and entered into this 16th day of January, 2003, by and between S.K.Y. Domes Enterprises, Inc., a Washington corporation, hereinafter "Sky Domes", and The Skagit Valley Family YMCA, a Washington non-profit corporation, hereinafter "YMCA".

RECITALS:

A. Sky Domes is the tenant under a lease with the City of Mount Vernon for a thirty-year term. The Lease is recorded under Skagit County Auditor's File No. 200001210005, for that certain real property legally described as set forth in Exhibit "A", hereinafter the "Ground Lease".

B. On the Ground Lease property Sky Domes constructed an indoor soccer facility and related improvements, hereinafter the "Facility".

C. The YMCA has agreed to purchase Sky Domes' interest in the facility, and the Ground Lease, with one hundred percent (100%) seller financing in the form of a Promissory Note of even date in the face amount of \$1,200,000, hereinafter the "Promissory Note". The Promissory Note shall be secured by a "Deed of Trust" and "Security Agreement".

D. In order to insure that the Ground Lease is not impaired or terminated by the City of Mount Vernon, the parties agree that Sky Domes will retain certain rights to preserve and protect its rights under the Ground Lease.

E. The YMCA needs the right to terminate the agreements contained herein and extinguish the Promissory Note. The terms and conditions of such termination are contained in this agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the parties agree as follows:

1. Sky Domes hereby assigns, transfers and conveys to the YMCA the Ground Lease. The YMCA assumes the Ground Lease subject to the terms and conditions contained herein.

2. Early Termination. The YMCA reserves the rights in its sole discretion to terminate and extinguish the Promissory Note pursuant to the following procedures and subject to the following terms and conditions:

(a) Termination by the YMCA shall be by written notice given to Sky Domes no less than one (1) year before the effective date of termination.

(b) No termination shall be effective sooner than three (3) years from the date of this Agreement.

(c) The right of YMCA to terminate the Promissory Note is subject to the following contingencies that must be satisfied prior to the date of termination.

(i) The YMCA shall deliver to Sky Domes a Non-Merger Deed in Lieu of Foreclosure for the Ground Lease and Facility free of encumbrances except Horizon Bank, and those exceptions that existed on conveyance and assignment of the Ground Lease to the YMCA.

(ii) The YMCA shall provide title insurance insuring the conditions of title described above.

(iii) A Bill of Sale for all personal property held as part of the indoor soccer business and concessions shall be given to Sky Domes. This must include all personal property reasonably necessary to operate the indoor soccer business. Title to such personal property shall be unencumbered.

(iv) The YMCA shall give to Sky Domes with all required consents from the City of Mount Vernon for assignment of the Ground Lease.

(v) The Facility, on the effective date of termination of the Promissory Note, shall be in the same condition as of the date of this Agreement, except for reasonable wear and tear;

(vi) The YMCA shall be current on the Promissory Note and shall be in compliance with all terms and conditions of this Agreement and the Security Agreement and Deed of Trust securing the Promissory Note; and,

(vi) YMCA shall pay any transfer costs including recording fees, excise tax, sales tax or similar expenses.

Upon termination of the Promissory Note as provided in this section 2, the YMCA shall be released from any further liability under the Promissory Note, Deed of Trust, Ground Lease and Security Agreement.



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3. Option Acceleration. Under the Ground Lease the City of Mount Vernon has the right to exercise an option to terminate the Ground Lease on the 10th anniversary of the Commencement Date of the Ground Lease. If the City of Mount Vernon elects to exercise the option to terminate the Ground Lease, then the remaining balance of the Promissory Note shall accelerate and shall be due and payable in full from the proceeds paid by the City of Mount Vernon as required in the option provisions of the Ground Lease. Any other monies paid by the City of Mount Vernon pursuant to the exercise of the option shall be the property of the YMCA.

4. Ground Lease Compliance. The YMCA shall comply with all terms and conditions imposed on the tenant in the Ground Lease, and the YMCA shall have all rights of the tenant under the Ground Lease. The YMCA's duty shall include the duty to pay any increase in the rents, costs or expenses under the Ground Lease.

5. Sky Domes Remedies. The Ground Lease contains certain provisions that allow the City of Mount Vernon to terminate the Ground Lease on default by the tenant under the Ground Lease. In order to insure that the Ground Lease is not terminated, Sky Domes shall have the right to cure any defaults under the Ground Lease. For that purpose, Sky Domes reserves and YMCA grants to Sky Domes the following rights under the Ground Lease:

(a) Sky Domes shall have the right to cure any default if default is not cured by the YMCA within ten (10) days after notice of default is given under section 23 of the Ground Lease. This shall include the right, but not the duty to make monetary payments, repairs or improvements as required under the Ground Lease.

(b) Sky Domes shall have the right to have a receiver appointed to manage, operate and control the indoor soccer business conducted at the Facility. The YMCA agrees that the receiver to be appointed shall serve without bond and that the receiver may be the officers and directors of Sky Domes.

6. Deed of Trust. The Ground Lease is subject to a Security Agreement and Deed of Trust of even date given to secure the Promissory Note. Any default under this Agreement, the Promissory Note, the Deed of Trust or Security Agreement securing the Promissory Note shall be a default under the others.

7. Miscellaneous.

A. Time of the Essence. Time is of the essence in the performance of this Agreement.

B. Entire Agreement. There are no other verbal or written Agreements which modify or affect this Agreement. except those agreements described in paragraph 6 above.

C. Benefit. The provisions in this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

D. Notices. All notices or demands to be given by each party to the other under this agreement and all sums to be paid by each party shall be deposited in the United States mails,



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postage prepaid, by certified or registered mail, return receipt requested, and addressed as follows:

S.K.Y. Domes Enterprises, Inc.
P.O. Box 28327
Bellingham, WA 98228-0327

The Skagit Valley Family YMCA
215 E. Fulton
Mt. Vernon, WA 98273

Notices and demands sent by mail shall be deemed to have been given and delivered when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

E. Attorney's Fees. In the event either party shall institute suit to enforce any rights hereunder, the successful party shall be entitled to court costs and reasonable attorney's fees against the losing party.

F. Remedies. The remedies provided herein are not exclusive and the parties may pursue other available remedies.


G. Severability. If any provision of this Agreement is deemed void or unenforceable by the action of a court of law, such provision shall be severable and not affect the balance of this Agreement, which shall remain in full force and effect.

H. Applicable Law. This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington, and the parties agree that the Superior Court of Skagit County shall be the appropriate venue of any suit or proceeding brought with respect to this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement the date first above written.

#269
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JAN 17 2003

Amount Paid \$ 21,300⁰⁰
Skagit Co. Treasurer
By  Deputy

S.K.Y. DOMES ENTERPRISES, INC.

By: 

DENNIS SOBCHUK, President

THE SKAGIT VALLEY FAMILY YMCA

By: 

RANDY RABENSTEIN, Executive Director

By: 

MARY TYLER, President of the Board of



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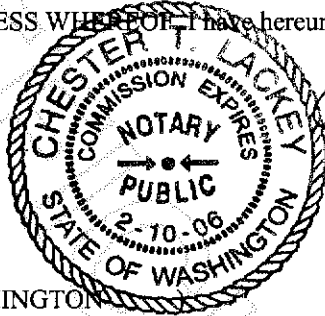
STATE OF WASHINGTON)

)ss.

COUNTY OF WHATCOM)

On this 16th day of January, 2003, before me personally appeared DENNIS SOBCHUK, to me known to be the President of the corporation that executed the within and foregoing instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



[Signature]
Notary Public in and for the State of Washington,
residing at Bellingham.

My Commission Expires: 2/10/06

STATE OF WASHINGTON)

)ss.

COUNTY OF WHATCOM)

On this 16th day of January, 2003, before me personally appeared RANDY RABENSTEIN, to me known to be the Executive Director of the corporation that executed the within and foregoing instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Tina M. Sager
My Commission Expires

May
16

2006

State of Washington
Notary Public

Tina M. Sager
Notary Public in and for the State of Washington,
residing at Bellingham.

My Commission Expires: May 16, 2006

STATE OF WASHINGTON)

)ss.

COUNTY OF WHATCOM)

On this 16th day of January, 2003, before me personally appeared MARY TYLER, to me known to be the President of the corporation that executed the within and foregoing instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Tina M. Sager
My Commission Expires

May
16
2006

State of Washington
Notary Public

Tina M. Sager
Notary Public in and for the State of Washington,
residing at Bellingham.

My Commission Expires: May 16, 2006

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EXHIBIT "A"
to Lease Assignment and Assumption Agreement

P-104558

DESCRIPTION:

A leasehold estate in the following described property:

That portion of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 16, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Southeast corner of said subdivision as shown on Survey recorded in Book 7 of Surveys, page 33, under Auditor's File No. 8702230031, records of Skagit County, Washington;

thence North $00^{\circ}18'10''$ East 723.02 feet along the East line of said subdivision;

thence North $89^{\circ}41'50''$ West 72.13 feet to the true point of beginning;

thence North $37^{\circ}51'12''$ West 280.00 feet;

thence South $52^{\circ}08'48''$ West 275.00 feet;

thence South $37^{\circ}51'12''$ East 280.00 feet;

thence North $52^{\circ}08'48''$ East 275.00 feet to the true point of beginning.

TOGETHER WITH a non-exclusive easement for ingress and egress, described as follows:

A strip of land 20 feet in width, lying 10 feet on each side of the following described line:

Beginning at the South $\frac{1}{4}$ corner of said Section 16;

thence South $89^{\circ}07'33''$ East 1,162.82 feet along the South line of said section;

thence North $00^{\circ}52'27''$ East for a distance of 30 feet to the true point of beginning of this easement description;

thence North $00^{\circ}52'27''$ East 10.00 feet to a point of curvature;

thence Northwesterly 509.34 feet along a curve concave to the Southwest having a radius of 770.00 feet and a central angle of $37^{\circ}53'59''$ to a point of tangency;

thence North $37^{\circ}01'32''$ West 307.48 feet;

thence North $52^{\circ}08'48''$ East 85.38 feet to the terminus of this easement description.

Situate in the County of Skagit, State of Washington.

