

WHEN RECORDED RETURN TO:



200303280228

Skagit County Auditor

3/28/2003 Page

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9 4:12PM

Chicago Title Insurance Company

DOCUMENT TITLE(s)

1. ASSIGNMENT OF LEASE AND INDEMNITY AGREEMENT
- 2.
- 3.

ISLAND TITLE CO.

C26200

REFERENCE NUMBER(s) OF DOCUMENTS ASSIGNED OR RELEASED:

UN RECORDED LEASE

ACCOMMODATION RECORDING

☐ Additional numbers on page _____ of the document

GRANTOR(s):

1. TOURNAMENT SKI TEAM INC
- 2.
- 3.

☐ Additional names on page _____ of the document

GRANTEE(s):

1. WADE R. DANN
2. LESLIE R. DANN
- 3.

☐ Additional names on page _____ of the document

Island Title Company has placed this document for recording as a customer courtesy and accepts no liability for its accuracy or validity

ABBREVIATED LEGAL DESCRIPTION:

LOTS 1-5 PLAT OF BOW HILL LAKE

☐ Complete legal description is on page _____ of the document

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBER(s):

P113074, P113075, P113076, P113077, P113071, P113072
P113078

This cover sheet is for the County Recorder's indexing purposes only.
The Recorder will rely on the information provided on the form and will not read the document to verify the accuracy or completeness of the indexing information provided herein.

ASSIGNMENT OF LEASE
AND INDEMNITY AGREEMENT

THIS ASSIGNMENT OF LEASE AND INDEMNITY AGREEMENT is dated and effective this 27th day of March, 2003 by and between TOURNAMENT SKI TEAM, INC., a Washington corporation along with its agents, employees, successors, affiliates, and assigns ("Assignee" or "TST"), and WADE R. DANN and LESLIE R. DANN (H&W) along with their agents, successors, and assigns ("Assignor" or "Dann") with respect to the lease dated the 9th day of January, 1999 between the parties (the "Lease") covering those certain premises particularly and legally described in Exhibit "A", attached hereto and incorporated herein by reference.

RECITALS

A. There exists a Stipulated Judgment and Order under Skagit County Superior Court Cause No. 98-2-00320-3 dated April 23, 1999 by and between DENNIS HAMILTON and PATRICIA HAMILTON (H&W) ("Lessor" or "Hamilton") and Dann (the "Judgment");

B. No Wake Lake, Inc., a Washington corporation (the "Purchaser"), is in the process of purchasing Lots 1, 2, 3, 4, and 5, Plat of Bow Hill Lake, according to the plat thereof recorded in Volume 16 of Plats, pages 224 and 225, records of Skagit County, Washington (the "Lake Property");

C. The Lease and Judgment impose restrictions that impact use of the Lake Property; and

D. As a condition to and as an inducement to Purchaser to purchase the Lake Property, Dann has agreed to indemnify, hold harmless, and defend TST against any impairment the Judgment or Lease may impose upon TST's use of the Lake Property..

NOW, THEREFORE, for valuable consideration the parties hereto agree as follows:

1. Assignment. Effective as of the date of this Agreement, Dann hereby assigns and transfers all of its right, title, and interest in the Lease, including the security and/or deposits, if any, to TST. TST hereby accepts the foregoing assignment and agrees to be bound by and to faithfully, timely, and fully perform all of the terms, covenants, and agreements contained in the Lease.

2. Release and Indemnification. Dann hereby agrees to indemnify, hold harmless, and defend TST, its officers, directors, representatives, assigns, and successors in interest against any claim, damages, demands, liabilities, losses, costs and expenses which currently exists or may otherwise in the future, known and unknown, which Hamilton may raise with respect to the restrictions of the Judgment or the Lease may have upon TST's current use of the Lake Property.



3. No Inconsistent Action. Each of the parties agrees that they will not at any time take any action, or sign or file any documents, which are inconsistent with the obligations of the parties set forth in this Agreement.

4. Amendment and/or Modification. Neither this Agreement nor any term or provision hereof, may be changed, waived, discharged, amended, or modified orally, or in any manner other than by an instrument in writing signed by all of the parties hereto.

5. Binding Effect. Subject to provisions hereof regarding assignment, this Agreement shall be binding upon and inure to the benefit of the respective parties, and their legal representatives, successors, assigns and heirs.

6. Interpretation and Fair Construction of Contract. This Agreement has been reviewed and approved by each of the parties. In the event it should be determined that any provision of this Agreement is uncertain or ambiguous, the language in all parts of this Agreement shall be in all cases construed as a whole according to its fair meaning and not strictly construed for nor against any party.

7. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent or partnership or joint venture or of any association between any of the parties hereto.

8. Costs and Attorneys' Fees. If any party hereto shall bring any suit, arbitration or other action against another for relief, declaratory or otherwise, arising out of this Agreement, the prevailing party shall have and recover against the other party, in addition to all court costs, expert witness fees and other disbursements, such sum as the court or arbiter may determine to be a reasonable attorney's fee, and such recovery may include reasonable fees and costs incurred in connection with the matter but prior to the commencement of the action.

9. Validity. In case any term of this Agreement shall be determined to be invalid, illegal, or unenforceable, in whole or in part, the validity of any of the other terms of this Agreement shall not in any way be affected thereby.

10. Waiver of Breach. The failure of any party hereto to insist upon strict performance of any of the covenants and agreements herein contained, or to exercise any option or right herein conferred, in any one or more instances, shall not be construed to be a waiver or relinquishment of performance of any covenant or agreement, or of any such option or right, but the same shall be and remain in full force and effect.

11. Notices. To be effective, any notice hereunder shall be in writing, delivered in person or mailed by certified or registered mail, postage prepaid, to the affected party or parties at the addresses set forth below, or to such other address as the parties may hereinafter designate.

Tournament Ski Team, Inc.
18055 Bow Lake Lane
Bow, Washington 98232

Wade R. Dann
2014 - E. Madison Street, Ste. 100
Seattle, Washington 98122

Leslie A. Dann
12518 Patricia Lane
Burlington, Washington 98233

12. Facsimiles. For purposes of this Agreement, signatures transmitted on a facsimile machine shall be deemed to be original signatures. In addition, if any of the parties sign facsimile copies of this Agreement, such copies shall be deemed originals.

13. No Third Party Beneficiary. The provisions of this Agreement are not intended to, and shall not in any way, inure to the benefit of any third persons, and are only for the benefit of the specific parties to this Agreement.

14. Entire Agreement. This Agreement contains the entire agreement and understanding of the parties with respect to the entire subject matter hereof, and there are no representations, inducements, promises or agreements, oral or otherwise, not embodied herein. Any and all prior discussions, negotiations, commitments and understandings relating thereto are merged herein.

15. Law. This Agreement shall be governed by, construed and enforced in accordance with the internal laws of the state of Washington, without giving effect to principles and provisions thereof relating to conflict or choice of laws irrespective of the fact that any one of the parties is now or may become a resident of a different state. Venue for any action under this Agreement shall lie in King County, Washington.

IN WITNESS WHEREOF, the parties have signed this Agreement effective as of the date first set forth above.

ASSIGNOR: *Wade R. Dann*
by Leslie A. Dann
his attorney in fact
Wade R. Dann

Leslie A. Dann
Leslie A. Dann

ASSIGNEE:

TOURNAMENT SKI TEAM, INC.
a Washington corporation

[Signature]
Douglas A. Spady, President

{R:\Clients\02562\S193992.DOC}

TOURNAMENT SKI TEAM, INC.
a Washington corporation

[Signature]
Julie L. Spady, Vice-President



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STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that WADE R. DANN and LESLIE A. DANN are the persons how appeared before me, and that said persons acknowledged signing this instrument as a free and voluntary act for the uses and purposes mentioned in the instrument.

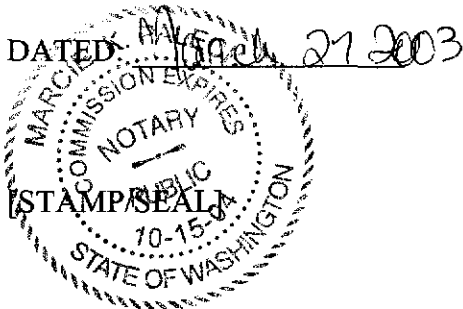
DATED: _____

[SEAL/STAMP]

See attached by Notary
(printed name): Acknowledgment
NOTARY PUBLIC in and for the State
of Washington, residing at _____
My Commission expires: _____

STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that DOUGLAS A. SPADY and JULIE L. SPADY are the persons who appeared before me, and that said persons acknowledged signing this instrument, on oath stated their authority as president and vice-president respectively of Tournament Ski Team, Inc. to execute the instrument and acknowledged it as the authorized agent of the party on behalf of whom instrument was executed to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Marcie K. Paleck
(printed name): MARCIE K. PALECK
NOTARY PUBLIC in and for the State
of Washington, residing at Mountain View
My Commission expires: October 15 2004

[END OF DOCUMENT]

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX.

MAR 28 2003

Amount Paid \$
Skagit Co. Treasurer
By MS Deputy



EXHIBIT "A"

LEASE

THIS LEASE AGREEMENT, made and entered into this 9th day of January, 1999, is by and between DENNIS HAMILTON and PATRICIA HAMILTON, husband and wife, and their heirs and assigns, hereinafter referred to as the Lessors, and TOURNAMENT SKI TEAM, INC., a Washington corporation (Lessees), and those persons (members) who have entered into leases with TST for waterskiing on Bow Hill Lake to help defray the cost of maintaining the Lake.

WITNESSETH:

1. Premises. The Lessors hereby lease to the Lessees and the Lessees hereby lease from the Lessors that certain real property described as follows:

A. That portion of the below described real property which lies below the ordinary high water mark and which is designated as a portion of the surface area of what is commonly called Bow Hill Lake.

Commencing at the southwest corner of Section 19, Township 36 North, Range 4 East, W.M.; thence S 86°10'34" E along the south line thereof, a distance of 443.70 feet to the point of beginning of this description; thence N 5°50'34"E, a distance of 660.06 feet to the north line of the south half of said Government Lot 4; thence S 86°15'29"E along said north line, a distance of 497.13 feet; thence S 5°50'41" W, a distance of 660.77 feet to the south line of said section; thence N 86°10'34" along said south line, a distance of 497.11 feet to the point of beginning.

Except the South 40 feet thereof.

Situate in Skagit County, Washington.

2. Purpose. This lease is entered into for the exclusive purpose of water skiing and wakeboarding.

3. Access. This lease creates no express or implied right to access, use or entry upon adjoining property above the ordinary high water mark. Access to the leased premises shall be over and across lessee's property.

4. Term. The lease term shall begin on November 1, 1998, and shall expire on February 28, 2000 and can be renewed for a renewal term of one (1) year commencing March 1, 2000, and each successive year, if renewed.

8404
WD LA
Lease Agreement - 1

Michael E. McNeff, P.S.

Attorney at Law

119. N. Commercial Street, Ste 1110

Bellingham, WA 98225

Ph. (360) 734-5550



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5. Rents. Rental for the term of the lease shall be Two Thousand Five Hundred Dollars (\$2,500.00). Rent is due and payable to Lessors on or before the thirtieth day of April.

The lessees have paid the lessors Two Thousand Five Hundred Dollars (\$2,500.00), receipt of which is hereby acknowledged, as full payment for past use of the premises and for continued use as described herein to the end of the lease term, February 28, 2000.

6. Renewal. This lease will automatically renew under the same terms for ninety-nine (99) successive annual periods unless terminated by written notice of any party hereto, not less than thirty (30) days prior to the end of the annual lease term. Lessors, their heirs and assigns agree that the lease will automatically be renewed in good faith and not be terminated unless the parties, in good faith, cannot agree (subject to mediation as set forth below) to objective changes in the lease amount as set forth in this paragraph. Changes may be made in the annual lease amount due upon lessor providing written notice forty-five (45) days prior to expiration of the annual term. Any change in the lease amount shall be based on an objective criteria of the amount of income of TST, Inc., or any successor organization and the Consumer Price Index, AND THE AMOUNT OF ASSESSED PROPERTY TAXES. BKH

7. Lessors Right of Access and Limitations on Lessee. It is agreed that lessors, their heirs, assigns and their guests shall retain a personal right of use and access over and across the leased premises provided that said use or access does not unreasonably interfere with lessees use of the lake. Lessees shall afford lessors with the opportunity for periodic exclusive use of the premises at times which are set forth in the Easement Agreement set forth as Exhibit B, which is attached hereto and fully incorporated herein. This Lease is subject to all terms and conditions set forth in the aforementioned easement. Lessees shall have no other right of access to or use of Lessors' property and do not have access to the road mentioned in the attached easement.

8. Noise. It is understood and expected that engine noise typically associated with tournament water skiing will exist on the premises. Lessee agrees not to permit boats on the premises which are of a kind or type that have appreciably greater engine noise than that normally associated with professional water skiing.

9. No Warranty. This lease contains no warranty, express or implied, that the leased premises are suitable for the intended purpose of the lease.

10. Indemnification. Lessees agree to indemnify and hold harmless the lessors from any and all claims, liabilities, causes of action, or injury to person(s) or property which occur in connection with or arise from any use of the leased premises, save those liabilities resulting from the gross negligence of lessors. Lessees shall appear and defend lessors in any lawsuit arising out of use of the premises in which lessors are named as a party and shall reimburse lessors for their attorneys fees and costs incurred in connection therewith.

BKH
Lease Agreement - 2

WD LR

Michael E. McNeff, P.S.

Attorney at Law
119. N. Commercial Street, Ste 1110
Bellingham, WA 98225
Ph. (360) 734-5550
Fax (360) 734-7931



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11. Insurance. Lessees shall maintain personal liability insurance covering use of the premises in an amount not less than one million dollars (\$1,000,000.00) per occurrence and shall have the lessors named as an additional insured on the policy.

12. Permits. Lessees shall be solely responsible for obtaining any and all local, state, or federal permits required for use of the subject premises.

13. Maintenance. Lessees shall have the obligation to keep and maintain the premises in good repair for their intended use under this lease and so as not to damage Lessors property.

14. Strict Liability. Lessees shall be strictly liable for any damage to lessors property resulting in the course of use of the lake by Lessees or TST members.

15. Assignment. The rights associated with this lease are transferable by TST, Inc. to its members so long as at least one (1) member of TST, Inc. is a landowner of a parcel that has shoreline on Bow Hill Lake.

16. Amendments. None of the covenants, terms or conditions of this Lease shall be in any manner altered, waived, modified, changed or abandoned except by written agreement duly executed and delivered by Lessors and Lessees. One or more waivers of any covenant or condition by Lessors shall not be construed as a waiver of a subsequent breach of the same covenant or condition and any consent or approval by Lessors to or of any act by Lessees requiring Lessors consent or approval shall not be deemed to waive or render unnecessary Lessors consent or approval to or of any subsequent similar act by Lessees.

17. Interpretation. This Lease shall merge and terminate any prior negotiations and agreements between the parties regarding the leased premises and shall be deemed and construed as a fully integrated agreement. Unless some other meaning and intent is apparent from the context, the plurals shall include the singular and vice versa, and masculine, feminine and neuter words shall be used interchangeably.

18. Mediation. Any disputes regarding changes to be made to the annual lease amount based on the objective criteria as set forth in paragraph 6 or the required good faith interpretation of the objective criteria by both Lessor and Lessee shall be subject to mediation by a mediator chosen by both parties. If the initial stages of the mediation are unsuccessful, the parties agree to request from the mediator, the mediator's final proposal. If the proposal is not accepted by either party, then either party may petition the court for relief in Skagit County Superior Court.

BRH
Lease Agreement - 3
WFO

Michael E. McNeff, P.S.
Attorney at Law
119. N. Commercial Street, Ste 1110
Bellingham, WA 98225
Ph. (360) 734-5550
Fax (360) 734-7931



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IN WITNESS WHEREOF, Lessors and Lessees have signed this instrument the day and year first above written.

LESSORS:

Dennis Hamilton
DENNIS HAMILTON

Patricia Hamilton
PATRICIA HAMILTON

LESSEES:

Leslie A. Dann
WADE R. DANN *attorney-in-fact*
Leslie A. Dann
LESLIE A. DANN

TOURNAMENT SKI TEAM, Inc.

By: Leslie A. Dann
Its President *attorney-in-fact*

WADE R. DANN
WADE R. DANN

PA CH
Lease Agreement - 4
ND LD

Michael E. McNeff, P.S.
Attorney at Law
119. N. Commercial Street, Ste 1110
Bellingham, WA 98225
Ph. (360) 734-5550
Fax (360) 734-7931



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