



200311250182

Skagit County Auditor

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PLEASE RETURN TO:

Skagit State Bank
P.O. Box 285
Burlington, WA 98233
short legal: ptn Gov. Lot 4, 34-34-2 E W.M. aka Lot 7, Cobahud
parcel #: L95861
order #: 109515-PAS

109515-PAS

LAND TITLE COMPANY

ASSIGNMENT OF LEASE

This indenture, made this 17th day of October, 2003, by and between Lyle J. and Debra S. Linvog-Johnson, husband and wife, the mortgagors, and Skagit State Bank, a Washington corporation, the mortgagee.

RECITAL OF LEASE. Whereas, by U.S. Department of the Interior, Bureau of Indian Affairs, **Sublease No. 7687 dated 4/23/1982** and made between the Secretary of the Interior acting for and on behalf of the Indians therein named, as lessor, and the mortgagor, as lessee, the said Secretary of the Interior leased to the mortgagor the land and premises herein after described for and during the term of Seventy-five years from the date of **April 23, 1982** at a yearly rent per annum subject to increase provisions as therein contained, and subject to the performance and observations of the lessee's covenants and the conditions therein contained.

(This assignment of lease is given as additional security for that certain Deed of Trust to be recorded concurrently herewith.)

Now, this indenture witnesseth as follows:

1. Assignment. The mortgagor, in consideration of the sum of **\$19,053.08**, including interest, fees and loan closing costs, to him in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged, hereby assigns, transfers, and sets over unto the mortgagee all and singular the land and premises comprised in the said lease, to wit, See Attachment at Schedule A, and the buildings thereon, together with the appurtenances, and also the said lease. To have and to hold the same unto the mortgagee, his executors, administrators, and assigns, from the date hereof for the unexpired residue of the said term granted by the said lease.

2. Covenants of Title. And the mortgagor for himself, his heirs, executors, and administrators, doth covenants with the mortgagee, his executors, administrators, and assigns, that the said lease is now valid and subsisting; that all the rent thereby reserved and payable prior to the date hereof has been paid, and that all the lessee's covenants and the conditions therein contained have been observed and performed; that the said premises and leasehold are now free and clear of all encumbrances; except as noted above, and that the mortgagor has good right and lawful authority to assign and transfer the same in manner and form aforesaid.

3. Proviso for Payment of Debt and Performance of Covenants. Provided, nevertheless, that if the mortgagor, his heirs, personal representatives or assigns, shall pay to the mortgagee, or their assigns, the sum of **\$19,053.08** including interest, fees and loan costs according to the terms of a promissory note of even date herewith and shall perform and observe all covenants agreements and conditions herein contained, then this deed, mortgage and assignment shall be void, otherwise to remain in full force and effect.

4. Mortgagor's Covenants, The mortgagor, for himself, his heirs, executors, and administrators, further covenants with the mortgagee, his executors, administrators, and assigns as follows.

(a) To Pay Debt. To pay the said sum of **\$19,053.08** including interest as the same shall become payable.

(b) To Insure. To insure and keep insured against fire, the buildings now or hereafter erected upon the said premises in at least the sum of **\$19,053.08** in companies approved by the mortgagees and to deposit the policy of such insurance as and when insured with the first lien holder. The loss if any thereunder shall be payable to Skagit State Bank as its interest shall appear at the time of loss if any.

(c) To Keep in Repair. To keep the buildings in good and tenantable repair, and that it shall be lawful for the mortgagee, his executors, administrators, and assigns, at all reasonable times to enter upon and view the state of the premises, and that upon receiving notice from him or them of any defect in the repair or condition of the premises the mortgagor, his executors, administrators, or assigns will make good such defect.

(d) To Pay Taxes. To pay all taxes and assessments levied or assessed on the premises or any part thereof immediately upon the same becoming due or payable, and to produce the receipts for such payment to the mortgagee, or his executors, administrators, or assigns.

(e) Not to Suffer Waste. Not to commit or suffer any strip or waste of the premises or to do or permit to be done thereon anything that may in any way impair the security of this mortgage.

(f) To Pay Rent and Perform Lessee's Covenants. To pay the yearly rent by the said lease reserved in accordance with the terms and covenants therein contained, and to observe and perform all the covenants, agreements, and conditions in the lease contained on the part of the lessee therein to be observed and performed, and to keep indemnified the mortgagee, his executors, administrators, and assigns, against all actions, proceedings, costs, claims, and damages by him or them incurred or sustained in respect of the nonpayment of the said rent or the nonobservance or nonperformance of the said covenants, agreements, and conditions, or any of them. Lessee will also keep all required payments on the first lien current and fulfill all other conditions as set forth in the Deed of Trust aforementioned herein.

5. Power of Sale. If any default shall be made in the payment of the said principal sum or of any installment of interest thereon, or the payment of any of the said rent reserved by the said lease, or any principal sum or interest on the first lien, or in the performance or observance of any of the covenants, and agreements on the part of the mortgagor herein contained, then and in either or any such event, and in addition to the other remedies herein before provided, the mortgagee, his executors, administrators, and assigns, may elect, without notice, that the said principal sum, together with the interest accrued thereon, shall become due and payable at once, and may enforce payment thereof and of all sums by him or them expensed under the terms hereof by foreclosure or otherwise, and then and in either or any such event the mortgagee, his executors, administrators, or assigns, are hereby authorized and fully empowered to sell the premises hereby assigned at public auction and to convey the same to the purchaser agreeable to the statute in such case provided, and out of the moneys arising from such sale to retain the principal sum hereby secured, the interest thereon then accrued, all such sums as shall have been by him or them paid for insurance, repairs, taxes and assessments and rent, with interest thereon as herein before provided, principal and interest payable on the aforesaid first lien, and all other sums which shall then be due under the terms of this mortgage, together with the costs and charges of such foreclosure, including reasonable attorney's fee not to exceed ten percent of the amount hereof, and to pay the overplus, if any, to the mortgagor, his executors, administrators, or assigns.

In Witness Whereof the parties have here unto set their hands and seals this date and year first above mentioned.

Lyle J. Johnson
Lyle J. Johnson

Debra S. Linvog-Johnson
Debra S Linvog-Johnson

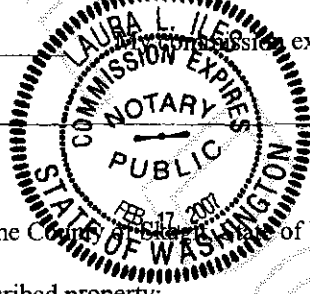
STATE OF WASHINGTON)
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Lyle J + Debra Johnson is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument on oath stated the (he/she) was authorized to execute the instrument and acknowledge it as the _____, of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

My hand and official seal this 24th day of October 2003.

Laura L. Iles
Notary Public in and for the State of Washington, residing in Anacortes

My commission expires 2-17-07



PROPERTY DESCRIPTION:

The land referred to herein is situated in the County of _____ of Washington, and is described as follows:
A Leasehold interest in the following described property:

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

SEE ATTACHED SCHEDULE "A"

NOV 25 2003

Date: November 20, 2003

Bureau of Indian Affairs

By: [Signature] Deputy

Amount Paid \$ [Signature]
Skagit Co. Treasurer

ACTING

In accordance with 25 CFR 162.12 © the following language is being added to the Assignment of Lease for. Lyle J. Johnson and Debra S. Johnson, sub-lessees of aforementioned lease:

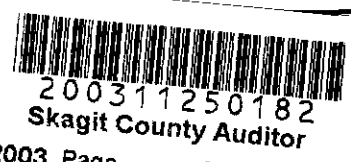
With the consent of the Secretary of the Interior acting on behalf of the Indians of the Puget Sound Agency, the lease may contain provisions authorizing the lessee to encumber his/her leasehold interest in the premises for the purpose of borrowing capital for the development and improvement of the leasehold premises.. The encumbrance instrument must be approved by the Secretary. If a sale or foreclosure under the approved encumbrance occurs and the encumbrancer is the purchaser he may assign the leasehold with the approval of the Secretary and the consent of the other parties to the lease. Provided however, if the purchaser is a party other than the encumbrancer, approval by the Secretary of any assignment will be required, and such purchaser will be bound by the terms of the lease and will assume in writing all the obligations thereunder.

Lyle J. Johnson
Lyle J. Johnson

Debra S. Linvog-Johnson
Debra S. Linvog-Johnson

This consent to encumber is hereby approved, effective [Signature]
Superintendent, Puget Sound Agency

ACTING



Schedule "A-1"

109515-PAS

DESCRIPTION:

That portion of Government Lot 4, Section 34, Township 34 North, Range 2 East, W.M., described as follows:

Beginning at a point South 89°47' West 20.00 feet and North 2°31' West 300.00 feet from the Southeast corner of said Government Lot 4;
thence continue North 2°31' West a distance of 50.00 feet;
thence South 89°47' West 110.3 feet;
thence South 4°00' East to a point South 89°47' West 109.0 feet from the point of beginning;
thence North 89°47' East 109.0 feet to the point of beginning. (Said property also known as Lot 7 of the unrecorded Plat of "Cobahud Waterfront Tracts, Swinomish Reservation, Skagit County, Washington", on file with the United States Department of the Interior, Bureau of Indian Affairs, Western Washington Indian Agency, Everett, Washington.)

Situate in the county of Skagit, State of Washington.



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