



200401260190

Skagit County Auditor

1/26/2004 Page

1 of

5 3:23PM

CHICAGO TITLE C29656 ✓

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE (the "Assignment") is made and entered into this 20th day of January, 2004, by and between James W. Macartney and Elke S. Macartney (the "Assignor") and Wells Fargo Financial Washington 1, Inc. (the "Assignee").

RECITALS

Assignor has entered into that certain loan transaction dated January 20, 2004, in the amount of One Hundred Thirty Thousand Nine Hundred Eighteen & 95/100 (\$130,918.95) (the "Loan") evidenced by a certain Note and Security Agreement (the "Note"). Assignee is the holder of said Note. Assignee desires to acquire all of Assignor's right, title and interest in, to and under certain property of Assignor's as security for the repayment of the Loan to Assignee.

Assignor has a lessee's interest in a certain land (the "Land") located in Skagit County, Washington. The Land is more fully described in Exhibit A attached hereto and incorporated herein by reference, which interest is evidenced by that certain Business Lease dated July 31, 1969, made by Indian Owners and Shelter Bay Company (the "Lease"), which has subsequently to assigned to James W. Macartney and Elke S. Macartney as evidenced by the Assignment of Sublease dated May 13, 1991, recorded under Auditor's File No. 9105170136, records of Skagit County, Washington.

ASSIGNMENT

Lot 623 Shelter Bay DIV 4
P 84620

A. **Assignment** In consideration of the premises and other good and valuable consideration, the Assignor does hereby grant, transfer and assign to Assignee all of their right, title and interest in, to and under the Lease.

B. **Representations of Assignor.** Assignor covenants or represents to Assignee as follows:

1. From and after the date hereof, Assignor will not modify, terminate or cancel the Lease, without the express written consent of Assignee.
2. Assignor will observe or perform all of the terms, conditions, covenants and agreements of the Lease.

3. Assignor has, and at all times while this Assignment is outstanding, will have good right and title to the Lease hereby assigned, free and clear of any and all claims or encumbrances, and Assignor has not assigned the Lease to any other person or entity.
4. As of the date hereof, the Lease is in full force and effect, has been duly executed and delivered, and is valid and enforceable in accordance with its terms. The Lease is free from default by any party thereto and has not been amended in any respect.
5. This Assignment constitutes a perfected, absolute and present assignment of all of Assignor's right, title and interest in, to and under the Lease.
6. Each provision of this Assignment is intended to be severable. In the event that any term or provision is declared to be invalid, illegal or unenforceable by a court of competent jurisdiction, such validity or illegality shall not affect the balance of the terms and provisions, which terms shall remain binding and enforceable.
7. Delay by Assignee in exercising any right or remedy hereunder shall not waive such right or remedy and waiver of a right or remedy on one occasion shall not waive any concurrent right of remedy on a subsequent occasion.
8. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, successors and assigns.

C. **Rights of Assignee.**

1. So long as there shall exist no default or event of default, as defined in and under the Note, Assignor shall have the right (but limited as provided in the following paragraph) to occupy the Land pursuant to the terms of the Lease.
2. Upon or at any time after a default or event of default as defined in the Note, Assignee, at its option, shall have the complete right, power and authority hereunder then or thereafter to exercise and enforce any or all of the following rights and remedies: (a) to take possession of, occupy or assign the Lease; and (b) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent or by a receiver to be appointed by court and irrespective of Assignor's possession, then or thereafter, to enter upon, take possession of, manage the Land or any part thereof, and otherwise do any act or incur any costs or expense as Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignor could do if in possession.
3. Provided, however, that the acceptance by Assignee of this Assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry




200401260190

Skagit County Auditor

upon and taking of possession of the Land or Lease by Assignee, be deemed or construed or constitute Assignee a mortgagee in possession, nor thereafter, or at any time or in any event, obligate Assignee to appear in or defend any action of proceeding relating to the tenant matters or to the property, or to take any action hereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability, or to assume any obligation or responsibility for any tenant security deposits or other deposits delivered to Assignor and not assigned and delivered to Assignee, nor shall Assignee be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Land. And, provided further, that the entry upon and taking possession of the Land shall not cure or waive any default or waive, modify or affect any notice of default under the Note or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.


ASSIGNOR:


James W. Macartney


Elke S. Macartney

APPROVED AND CONSENTED TO:

SHELTER BAY COMPANY



Allan F. Osberg, President
Sublessor

State of Washington

County of Whatcom

ASSIGNEE:

WELLS FARGO FINANCIAL
Washington 1, INC.

By: 
TODD GERSEN
Title: CREDIT MANAGER

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

JAN 26 2004

Amount Paid \$
Skagit County Treasurer
By:  Deputy

On this the 20th day of January, 2004, before me, Ashley Taubenheim, the undersigned officer, personally appeared James W. Macartney & Elke S. Macartney, known to me (or satisfactorily

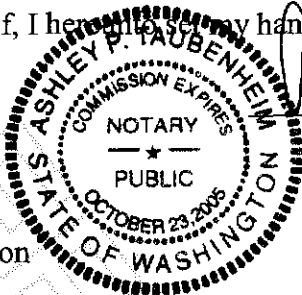


200401260190

Skagit County Auditor

subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal



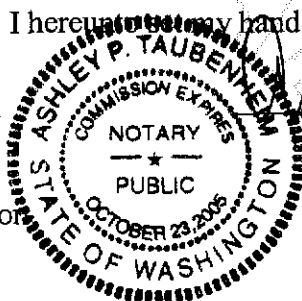
Notary Public

State of Washington

County of Whatcom

On this the 20th day of January, 2004, before me, Ashley Taubenheim, the undersigned officer, personally appeared Todd Gjemso, who acknowledged himself to be the Credit Manager of Wells Fargo Financial Washington 1, Inc., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Todd Gjemson, Credit Manager.

In witness whereof, I hereunto set my hand and official seal



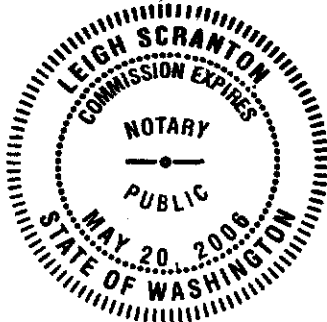
Notary Public

State of Washington

County of King

On this the 21st day of January, 2004, before me, Leigh Scranton, the undersigned officer, personally appeared Allan F. Osberg, who acknowledged himself to be the President of Shelter Bay Company, Sublessor, and that he, as such authorized signer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Sublessor by himself as Allan F. Osberg, President.

In witness whereof, I hereunto set my hand and official seal.



Notary Public
Leigh Scranton



200401260190
Skagit County Auditor

1/26/2004 Page

4 of

5 3:23PM

EXHIBIT "A"

Lot 623, REVISED MAP OF SURVEY OF SHELTER BAY DIV. 4, according to the survey recorded July 8, 1970, in Volume 48 of Official Records, pages 627 through 631, under Auditor's File No. 740962, records of Skagit County, Washington.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



200401260190

Skagit County Auditor