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Skagit County Auditor

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**LAND TITLE OF SKAGIT COUNTY**

<b>Document Title(s) (for transactions contained therein):</b> 1. Assignment of Lessee's Interest for Security Purposes 2. 3. 4.
<b>Reference Number(s) of Documents assigned or released:</b> (on page of documents(s))
<b>Grantor(s)</b> 1. David M. Addie 2, 3. 4.
<b>Additional Names on page</b> _____ <b>of document.</b>
<b>Grantee(s)</b> 1. Jerry E. Welch 2. Barbara Welch 3. 4.
<b>Additional Names on page</b> _____ <b>of document.</b>
<b>Legal Description (abbreviated i.e. lot, block, plat or section, township, range)</b>  Lot 22, Amended Skagit Regional Airport Ph. 1
<b>Additional legal is on page</b> _____ <b>of document.</b>
<b>Assessor's Property Tax Parcel/Account Number</b>  8012-000-022-0200, L105273
<b>The Auditor/Recorder will rely on information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.</b>

**ASSIGNMENT OF LESSEE'S INTEREST  
FOR SECURITY PURPOSES**

David M. Addie ("Addie") hereby assigns to Jerry E. Welch and Barbara Welch, his wife ("Welch") for security purposes all rights of Addie as lessee in that lease dated the 20<sup>th</sup> day of April, 1993, between the Port of Skagit County, as Lessor, and Jerry Welch and David M. Addie, dba International Aero, Inc. a Washington corporation, as Lessee, for the real property legally described below, as amended by the First Amendment to Lease Agreement dated July 20, 1993, and by the Second Amendment Between the Port of Skagit County and Jerry Welch and David M. Addie dated August 3, 1993 (the "Lease"). A copy of the Lease is attached as Exhibit 1. The real property subject to the Lease is legally described as:

Lot 22, AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1, PL02-0127, dated February 28, 2003, recorded March 4, 2003, under Auditor's File No. 200303040030, records of Skagit County, Washington; and being a portion of Section 3, Township 34 North, Range 3 East, W.M., and of Sections 33 and 34, Township 35 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.

This assignment is for security purposes only. This assignment secures payment of the note dated March 16, 2004 in the principal amount of \$899,499.48, in which David M. Addie is the Maker and Jerry E. Welch and Barbara Welch are the Payees, which note ("note") is also secured by a deed of trust on the interest of Maker in the buildings, fixtures and improvements on the real property subject to the Lease, and a deed of trust on real property located in Mt. Vernon, Washington. Subject to any applicable notices and opportunities to cure, a default under the note or the deeds of trust shall be a default under this Assignment.

Addie and Welch agree that, upon Welch acquiring title to Addie's interest in the buildings, fixtures, and improvements on the real property subject to the Lease (including pursuant to deed in lieu of foreclosure or a foreclosure of the deed of trust on those properties), but not before, Welch may immediately take possession of Addie's interest in the Lease, and may notify the Lessor that Welch is now the Lessee under the Lease, and all interest of Addie in the Lease shall terminate effective the date Welch obtains such ownership interest not subject to appeal or modification.

This Assignment of the Lease for Security Purposes is subordinate to (i) the prior existing liens on Addie's interest in the Lease shown on the attached Exhibit A, which liens arise from the lenders providing the primary financing for the Burlington Facility or (ii) any refinance lender. This Assignment of Lease for Security Purposes is expressly



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