## Return Address:

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Frank Chmelk Attorney at Law 1500 Railroad Avenue Bellingham, WA 98225-4542

## LAND TITLE OF SKAGIT COUNTY

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

## 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

subordinate to that assignment of the Lease to Bank of America executed on even date herewith. Welch agrees, at or prior to the date Addie signs and delivers this Assignment to Welch, or at any time thereafter, to sign any documents requested by the lender to effect the subordination of this Assignment to the lender's assignment of Addie's interest in the Lease, which subordination documents shall be in the forms requested by the lender and shall be commercially reasonable. Addie may refinance any loan or loans shown on Exhibit A at such times, and upon the terms and conditions stated in, that Settlement and Stock Sale Agreement between Addie, Welch and International Aero, Inc. dated January, 21, 2004. Welch agrees to sign any documents requested by the refinancing lender to effect the subordination of this Assignment to the lender's assignment of Addie's interest in the Lease, which subordination documents shall be in the forms requested by the lender and shall be commercially reasonable.

This agreement shall be binding on the successors and assigns of the parties.

In the event either party files suit to enforce the terms of this agreement, the prevailing party shall be paid its reasonable attorneys fees and costs of suit.

DATED this 16th day of March, 2004.

SKAGIT COUNTY WASHINGTON Real Estate Excise Tax

David M. Addie

MAR 17 2004,

Amount Paid S Skagit County Treasurer

STATE OF WASHINGTON BY:

**COUNTY OF SKAGIT** 

F1CLIENTS R-ZWeich'Sele of Build

On this day personally appeared before me **DAVID M. ADDIE** to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16<sup>th</sup> day of March, 2004.

Print Name: Karen Ashley

NOTARY PUBLIC in and for the

State of Washington, residing at \_Sedro-Woolley

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