


Return Address:


200602140099
Skagit County Auditor
2/14/2006 Page 1 of 3 11:40AM

LAND TITLE OF SKAGIT COUNTY

119511-S

Document Title(s) (for transactions contained therein):	
1.	
2.	Consent to Encumbrance of Lease
3.	
4.	
Reference Number(s) of Documents assigned or released: (on page of documents(s))	
200407190024	
Grantor(s)	
1.	
2.	Steven Yates
3.	
4.	
Additional Names on page of document.	
Grantee(s)	
1.	
2.	
3.	US Department of the Interior
4.	
Additional Names on page of document.	
Legal Description (abbreviated i.e. lot, block, plat or section, township, range)	
Lot 47 Cobahud	
Additional legal is on page of document.	
Assessor's Property Tax Parcel/Account Number	
3	5103-000-047-0000
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.	

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

CONSENT TO ENCUMBRANCE OF LEASE AND AMENDMENT TO LEASE

Steven N. Yates is Lessee ("Lessee") under an Agreement of Lease (the "Lease"), dated, August 24, 2004 with United States Department of the Interior of Indian Affairs as Lessor ("Lessor") recorded or a Memorandum of which was recorded on in Book N/A, Page N/A, Official Instrument No. of Official Records of Skagit County, state of Washington, pertaining to the property described in herein (the "Leased Property").

1. Lessor (a) consents to Lessee's encumbrance of Lessee's leasehold interest in the Leased Property (the "Leasehold") by mortgage, deed of trust or security deed (the "Security Instrument") in favor of **Whidbey Island Bank**. ("Encumbrancer") to secure a note in the principal sum of **\$168,000**, and other obligations set forth in the Security Instrument which is recorded concurrently herewith in the Official Records of Skagit County, state of Washington, and (b) agrees that the terms hereof shall govern over any provision inconsistent herewith in the Lease.

2. Lessor affirms that as of the date of this Consent, the Lease is in full force and effect and no default or ground for termination thereof exists.

3. An assignment of the Lease of one of the below listed types, made in connection with the Security Instrument, may be made without the consent of Lessor:

(a) Assignment by judicial or non-judicial foreclosure, subject to applicable law, under the Security Instrument, or assignment in lieu of foreclosure; and

(b) Assignment by Encumbrancer, after having obtained an assignment described in (a) above. Any Lease transferee under the provisions of this paragraph 3 shall be liable to perform the obligations of Lessee under the Lease only so long as the transferee holds title to the Leasehold. Any subsequent transfer of the Leasehold may be made only with such written consent of Lessor and subject to the conditions relating thereto as are set forth in the Lease.

4. Lessor may not terminate the Lease because of any default or breach there under on the part of Lessee if Encumbrancer, or the trustee under the deed of trust, if applicable, within 90 days after service of written notice on Encumbrancer by Lessor of Lessor's intention so to terminate:

(1) Cures the default or breach if it can be cured by the payment or expenditure of money provided to be paid under the terms of the Lease, or if the default or breach is not so curable, commences, or cause the trustee under the deed of trust to commence, if applicable, and thereafter pursues to completion, steps and proceedings to foreclose on the Leasehold covered by the Security Instrument; and

(2) Keeps and performs all of the covenants and conditions of the Lease requiring the payment or expenditure of money by Lessee until such time as the leasehold is sold upon foreclosure pursuant to the Security Instrument, or is release or reconveyed there under, or is transferred upon judicial foreclosure of by an assignment in lieu of foreclosure.

5. Any notice to Encumbrancer provided for in the preceding paragraph may be given concurrently with or after the notice of default to Lessee, as provided in the Lease and sent to the following address: **Whidbey Island Bank P O Box 302 Burlington, WA 98233**.

6. Notwithstanding any Lease provision to the contrary, policies of fire and extended coverage insurance shall be carried by Lessee covering the building or buildings constructed on the Leasehold premises with loss payable clause to Encumbrancer, and any disposition of the proceeds thereof in case of loss shall be subject to the rights of the Encumbrancer as provided in the Security Instrument.

7. Any and all eminent domain or condemnation awards or damages shall first be applied in payment of the then outstanding balance, if any, of the loan made to Lessee by Encumbrancer and the balance of the awards and damages, if any, shall be paid to Lessor and Lessee, as their interests may appear.

8. The Lease may be amended, or may be terminated by any party other than as provided in paragraph 5 hereof, only with the prior written consent of Encumbrancer.

9. Lessor hereby waives the right to obtain, for any liability of Lessee that arises, accrues, or is the subject of legal action while the Security Instrument is in existence, a lien on any equipment or furnishings of Lessee that may constitute a part of the Leasehold improvements.

10. The terms hereof shall insure to the benefit of and be binding upon the parties, their successors and assigns.

11. Lessor is aware of, and consents to, the terms and purposes of the note secured by the Security Instrument, and any extensions or renewals thereof.



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12. To the extent that this document gives additional rights to Encumbrancer, the Lease is hereby amended and modified for the benefit of Encumbrancer only.
13. Except as provided herein, the Lease shall remain in full force and effect as originally written.

A Leasehold interest in the following described property:

Tract 47 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, being a portion of Government Lot 4, Section 34 North Range 2 East WM.

Except Pull and Be Damned Road.

A 1998 Lot Line Adjustment has changed the dimensions of this property from the Original Plat. The property is 45 feet in width, not 50.

Situated in County of Skagit, State of Washington

In this Consent the singular number includes the plural, whenever the context so requires.

Steven N. Yates
Steven N Yates LESSEE

Date: 02/09/06

APPROVAL OF ENCUMBRANCE

This form and terms of the within and foregoing Encumbrance are approved this 10th day of February, 2006

United States Department of the Interior
Bureau of Indian Affairs

By: Judith K. Joseph
Title: Superintendent

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

FEB 14 2006

Amount Paid \$
Skagit Co. Treasurer
By: [Signature]

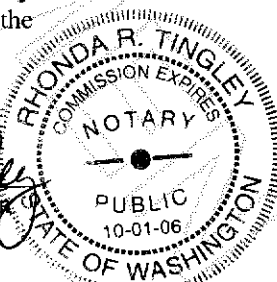
ACKNOWLEDGMENT

State of Washington }
County of Skagit } SS:

I certify that I know or have satisfactory evidence that Steven N. Yates the person(s) who appeared before me, and said person(s) acknowledged that ~~he~~ she/they signed this instrument and acknowledge it to be ~~his~~ her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: February 9 2006

Rhonda R. Tingley
Notary Public in and for the State of Washington
Printed Name: Rhonda R. Tingley
Residing at: Burlington
My appointment expires: 10-1-06



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