

UNRECORDED
RETURN TO:
First American Title Insurance Co.
National Commercial Services
1900 Midwest Plaza West
801 Nicollet Mall
Minneapolis, MN 55402
NCS-232473-MPLS



200607100171
Skagit County Auditor
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CONSENT AND ASSUMPTION AGREEMENT

THIS CONSENT AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into as of the 16th day of June, 2006, by and among JERRY L. SMITH ("J. Smith"), MOLLY A. SMITH ("M. Smith," together with J. Smith the "Smiths"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the "Lender").

RECITALS: FIRST AMERICAN TITLE CO.
73840-1
ACCOMMODATION RECORDING ONLY

WHEREAS, pursuant to the terms of that certain Term Loan Agreement dated May 19, 2003, by and between the Lender and the Smiths (the "Loan Agreement"), the Lender loaned \$4,700,000 (the "Loan") to the Smiths; and

WHEREAS, to evidence the Loan, the Smiths executed and delivered to the Lender that certain Real Estate Note in the original principal amount of \$4,700,000.00 dated as of May 19, 203 (the "Note"); and

WHEREAS, the obligations of the Smiths under the Note are secured by that certain Deed of Trust, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents dated as of May 19, 2003 (the "Mortgage"), executed by the Smiths in favor of the Lender, encumbering property legally described on Exhibit A attached hereto and hereby made a part hereof (the "Property"); and

WHEREAS, the Deed of Trust was filed of record in the office of the Skagit County Auditor on May 19, 2003, as Document No. 200305190202; and

WHEREAS, M. Smith has conveyed her interest in the Property to J. Smith; and

WHEREAS, J. Smith has requested the Lender to consent to the transfer of the Property from M. Smith to J. Smith; and

WHEREAS, the Lender is willing to agree to the foregoing in accordance with the terms and subject to the conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assumption by J. Smith. J. Smith hereby assumes and agrees to pay when due all amounts due and payable under the Note and assumes and agrees to be bound by and perform each and every term, obligation, covenant, representation, warranty and agreement of M. Smith under and pursuant to the Note, the Deed of Trust, the Loan Agreement and the documents related thereto (collectively, the "Loan Documents") in all respects as provided therein. Any and all references in the Loan Documents to the "Borrower" or the "Grantor" shall mean and refer solely to J. Smith.
2. Consent of the Lender. Notwithstanding the provisions of Section 1.8 of the Deed of Trust, the Lender hereby consents to the transfer of title to the Property by M. Smith to J. Smith. Such consent shall not be deemed to be a consent to any further sale or transfer of either the legal or equitable title or both to all or any portion of the Property or any interest therein, it being expressly acknowledged and agreed by J. Smith that the provisions of Section 1.8 of the Deed of Trust shall continue to govern any further contemplated sale or transfer of either the legal or equitable title or both to all or any portion of the Property.
3. Release. The Lender hereby releases M. Smith from all of her obligations under the Loan Documents.
4. Continuing Validity of the Deed of Trust. The Property shall continue to remain subject to the lien, charge, and encumbrance of the Mortgage and nothing contained herein or done pursuant hereto shall affect or be construed to affect the lien, charge and encumbrance of the Deed of Trust or the priority thereof over other liens, charges or encumbrances.
5. Further Assurances. M. Smith and J. Smith hereby each agrees to execute such other agreements, documents and instruments as are deemed necessary or advisable by the Lender in order to effectuate the purpose of this Agreement.
6. UCC Financing Statement. Contemporaneously with the execution of this Agreement, J. Smith and M. Smith have authorized the Lender to file a UCC Financing Statement Amendment deleting M. Smith as a debtor.
7. Costs and Expenses. J. Smith shall pay all costs and expenses, including recording fees, attorneys' fees and title fees, paid or incurred by the Lender in connection with the preparation of this Agreement and the closing and consummation of the transaction contemplated hereby.
8. Legal Representation. J. Smith and M. Smith hereby warrant, represent, and agree that each of them has fully considered the terms of this Agreement and had the opportunity to discuss this Agreement with their respective legal counsel, and is executing the same without any coercion or duress on the part of the Lender.



9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

10. Headings. The descriptive headings for the several sections of this Agreement are inserted for convenience only and shall not define or limit any of the terms or provisions hereof.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

12. Release. The Smiths hereby each release the Lender and each of its officers, directors, employees, legal counsel and other representatives from any and all claims, demands, causes of action, liability, damage, loss, costs and expenses which he or she has paid, incurred or sustained or believed that he or she has paid, incurred or sustained, known or unknown, absolute or contingent, liquidated or unliquidated, as a result of or related to (i) the transactions evidenced by or related to the Loan Documents, (ii) any acts or omissions of the Lender or any of its officers, directors, agents or employees in connection therewith or related thereto, or (iii) the extension or denial of credit.

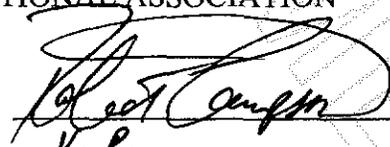
13. No Set Off Period. Each of the Smiths acknowledges and agrees with the Lender that no events, conditions or circumstances have arisen or exist as of the date hereof which would give the Smiths the right to assert a defense, counterclaim and/or set off any claim by the Lender for payment of amounts owing under the Loan Documents. Any defense, right of set off or counterclaim which might otherwise be available to the Smiths is hereby fully and finally waived and released in all respects.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.


Jerry L. Smith


Molly A. Smith

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: 
Its: V.P.

This instrument was drafted by:

WINTHROP & WEINSTINE, P.A. (KAH)
Suite 3500
225 South Sixth Street



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Skagit County Auditor

Minneapolis, Minnesota 55402

UNOFFICIAL DOCUMENT

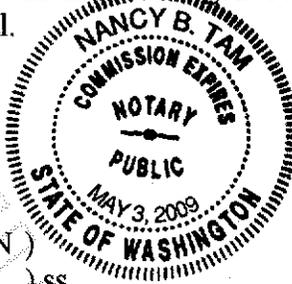


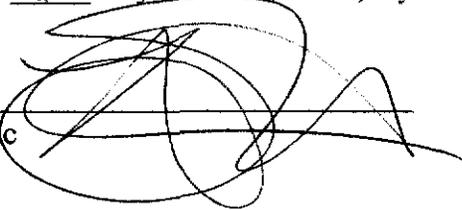
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Skagit County Auditor

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

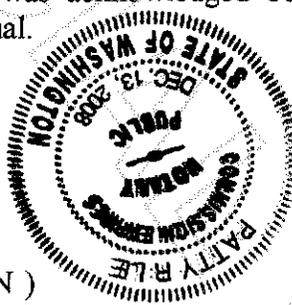
The foregoing instrument was acknowledged before me this 16th day of June, 2006, by Jerry L. Smith, an individual.

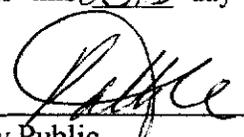


Notary Public 

STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

The foregoing instrument was acknowledged before me this 23rd day of June, 2006, by Molly A. Smith, an individual.

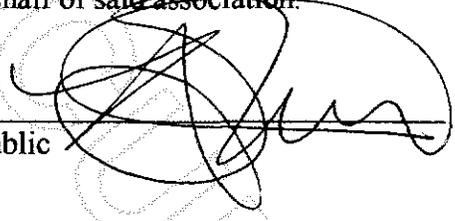


Notary Public 
EXPIRES DEC. 13, 2008

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

The foregoing instrument was acknowledged before me this 16th day of June, 2006, by Robert Lampson the VP of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, for and on behalf of said association.



Notary Public 

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3231-440



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Skagit County Auditor

EXHIBIT A

(Legal Description)

PARCEL 1 Lot 1 of Short Plat No. 95-020, as approved May 6, 1996 and recorded May 13, 1996 in Volume 12 of Short Plat, pages 96 and 97, under Auditor's File No. 9605130078, records of Skagit County, Washington.

PARCEL 2 Tract 16, of Burlington Hill Business Park Binding Site Plan, approved September 7, 1994, recorded September 8, 1994, in Volume 11 of Short Plats, Pages 109 through 112, under Auditor's File No. 9409080052, records of Skagit County, Washington, being a portion of the Southwest $\frac{1}{4}$ of Section 29, Township 35 North, Range 4 East, W.M.



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