



201202230066
Skagit County Auditor

2/23/2012 Page 1 of 11 1:52PM

When Recorded Return To:

GUARDIAN NORTHWEST TITLE CO.

1024 73 -2

Oppenheimer Wolff & Donnelly LLP
Plaza VII, Suite 3300
45 South Seventh Street
Minneapolis, MN 55402
Attn: Kenneth Rowe

Document Title
ASSIGNMENT OF LEASES AND RENTS
Grantor/Assignor
STEIN FAMILY LIMITED PARTNERSHIP, a Washington limited partnership
Grantee/Assignee
RIVERSOURCE LIFE INSURANCE COMPANY, a Minnesota corporation
Legal Description (Abbreviated: i.e., lot, block, plat or section, township, range)
<input checked="" type="checkbox"/> Additional legal on Exhibit "A" PTN BLOCK 8 WEST ADDN TO WOODLEY
Assessor's Tax Parcel Number: 4176-008-020-0009 (P77397)

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT, made this ____ day of February, 2012, by STEIN FAMILY LIMITED PARTNERSHIP, a Washington limited partnership, whose post office address is 17065 Tenth Avenue Northwest, Seattle, Washington 98177 (hereinafter referred to as the "Assignor"), to RIVERSOURCE LIFE INSURANCE COMPANY, a Minnesota corporation, whose address is c/o Real Estate Loan Management, 25540 Ameriprise Financial Center, Minneapolis, Minnesota 55474 (hereinafter referred to as the "Assignee"), WITNESSETH:

FOR VALUE RECEIVED, the Assignor hereby grants, transfers and assigns to the Assignee all of the right, title and interest of the Assignor in and to all leases now or hereafter entered into whether oral or written which demise any portion of the real estate described in Exhibit "A" attached hereto (hereinafter referred to as the "Premises"), together with any and all extensions and renewals thereof (all such leases being hereinafter collectively referred to as the "Leases"), together with any guarantees of the tenants' obligations thereunder, together with the immediate and continuing right to collect and receive all rents, income, payments and profits arising out of said Leases or out of the Premises or any part thereof, together with the right to all proceeds payable to the Assignor pursuant to any purchase options on the part of the tenants under the Leases, together with all payments derived therefrom including but not limited to claims for the recovery of damages done to the Premises or for the abatement of any nuisance existing thereon, claims for damages resulting from default under said Leases whether resulting from acts of insolvency or acts of bankruptcy or otherwise, and lump sum payments for the cancellation of said Leases or the waiver of any obligation or term thereof prior to the expiration date and the return of any insurance premiums or ad valorem tax payments made in advance and subsequently refunded (hereinafter referred to as the "Rents"), all for the purpose of securing the following (hereinafter collectively referred to as the "Indebtedness Secured Hereby"):

ONE. Payment of the indebtedness evidenced by that certain Promissory Note (hereinafter referred to as the "Note") (including any extensions or renewals thereof) in the principal sum of Two Million Six Hundred Fifty Thousand and 00/100 Dollars (\$2,650,000.00) dated of even date herewith, executed and delivered by the Assignor and payable to the order of the Assignee, secured by a Deed of Trust and Security Agreement and Fixture Financing Statement with Assignment of Leases and Rents (hereinafter referred to as the "Deed of Trust") of same date from the Assignor to the Assignee upon the Premises, filed for record in the County of Skagit, State of Washington;

TWO. Payment of all other sums with interest thereon becoming due and payable to the Assignee set forth herein and in the Note and the Deed of Trust;

THREE. Performance and discharge of each and every obligation, covenant and agreement of the Assignor set forth herein and in the Note and the Deed of Trust.



AND THE ASSIGNOR FURTHER AGREES, ASSIGNS AND COVENANTS:

1. Leases. To faithfully abide by, perform and discharge each and every obligation, covenant and agreement of said Leases by lessor to be performed; to use its best efforts to enforce or secure the performance of each and every obligation, covenant, condition and agreement of said Leases by the tenants to be performed; not to modify, extend, renew, terminate, accept a surrender of, or in any way alter the terms of the existing Leases; nor borrow against, pledge, or assign any of the Assignor's rights under the Leases or any Rents due thereunder, nor consent to a subordination or assignment of the interest of the tenants thereunder to any party other than the Assignee, nor anticipate the rents thereunder for more than one (1) month in advance or reduce the amount of the rents and other payments thereunder, nor waive, excuse, condone or in any manner release or discharge the tenants of or from their obligations, covenants, conditions and agreements to be performed, nor incur any indebtedness to the tenants, nor enter into any additional Leases of all or any part of the Premises without the prior written consent of the Assignee.
2. Protect Security. At the Assignor's sole cost and expense, to appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of the lessor thereunder, and to pay all costs and expenses of the Assignee, including attorneys' fees, in any such action or proceeding in which the Assignee in its sole discretion may appear.
3. Representations. With respect to the Leases disclosed to Assignee in that certain Certificate of Tenancies and Leases dated of even date herewith, the Assignor represents and warrants that: (a) it is now the absolute owner of the Leases with full right and title to assign the same and the Rents due thereunder; (b) the Leases are valid, in full force and effect and have not been modified or amended; (c) there are no outstanding assignments or pledges of the Leases or Rents due thereunder; (d) there are no existing defaults under the provisions of the Leases on the part of any party thereto; (e) no Rents have been waived, anticipated, discounted, compromised or released; and (f) the tenants under the Leases have no defenses, setoffs, or counterclaims against the Assignor.
4. Present Assignment. This Assignment shall constitute a perfected, absolute and present assignment, provided, the Assignor shall have the right to collect, but not prior to accrual, all of the Rents and to retain, use and enjoy the same unless and until an Event of Default shall occur, as defined in the Deed of Trust. The Assignor hereby releases and surrenders to the Assignee all rights to amend, modify or in any way alter the Leases without the prior written consent of the Assignee.

5. Remedies. Upon or at any time during the continuance of an Event of Default, or if any material representation or warranty herein proves to be untrue, then the Assignee, without regard to waste, adequacy of the security or solvency of the Assignor, may declare all Indebtedness Secured Hereby immediately due and payable, may revoke the privilege granted the Assignor hereunder to collect the Rents, and may, at its option, without notice, either:

- a. In person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require the Assignor to give, notice to the tenants under the Leases authorizing and directing the tenants to pay all Rents directly to the Assignee; collect all of the Rents; enforce the payment thereof and exercise all of the rights of the Assignor under the Leases and all of the rights of the Assignee hereunder; and may enter upon, take possession of, manage and operate the Premises, or any part thereof; may cancel, enforce or modify the Leases, and fix or modify Rents, and do any acts which the Assignee deems proper to protect the security hereof; or
- b. Apply for appointment of a receiver as a matter of right and without notice in accordance with the statutes and law made and provided for, which receivership the Assignor hereby consents to, who shall collect the Rents; manage the Premises so as to prevent waste; execute Leases within or beyond the period of receivership; perform the terms of this Assignment and apply the Rents as hereinafter provided.

The entering upon and taking possession of such Premises, the appointment of a receiver, the collection of such Rents and the application thereof as aforesaid shall not cure or waive any default or waive, modify or affect notice of default under the Deed of Trust or invalidate any act done pursuant to said notice, nor in any way operate to prevent the Assignee from pursuing any remedy which now or hereafter it may have under the terms and conditions of the Deed of Trust or the Note secured thereby or any other instruments securing the same. The rights and powers of the Assignee hereunder shall remain in full force and effect both prior to and after any foreclosure of the Deed of Trust and any sale pursuant thereto and until expiration of the period of redemption from said sale, regardless of whether a deficiency remains from said sale. The purchaser at any foreclosure sale, including the Assignee, shall have the right, at any time and without limitation, to advance money to any receiver appointed hereunder to pay any part or all of the items which the receiver would otherwise be authorized to pay if cash were available from the Premises and the sum so advanced, with interest at the Default Rate, as defined in the Note, shall be a part of the sum required to be paid to redeem from any foreclosure sale.

6. Application of Rents. Any Rents shall be applied in such order as Assignee shall deem proper to the operation and management of the Premises including: (a) to



the payment of the Indebtedness Secured Hereby, (b) to payment of all fees of any receiver appointed hereunder, (c) to payment of attorneys' fees, (d) to payment when due of prior or current real estate taxes or special assessments with respect to the Premises or, if the Deed of Trust so requires, to the periodic escrow for payment of the taxes or special assessments then due, (e) to payment when due of premiums for insurance of the type required by the Deed of Trust or, if the Deed of Trust so requires, to the periodic escrow for the payment of premiums then due, and (f) to payment of all expenses for normal maintenance of the Premises. Any Rents remaining after application of the above items shall be applied to the Indebtedness Secured Hereby. If the Premises shall be foreclosed and sold pursuant to a foreclosure sale, then:

- (i) If the Assignee is the purchaser at the foreclosure sale, the Rents shall be paid to the Assignee to be applied to the extent of any deficiency remaining after the sale, the balance to be retained by the Assignee, and if the Premises be redeemed by the Assignor or any other party entitled to redeem, to be applied as a credit against the redemption price with any remaining excess Rents to be paid to the Assignor, provided, if the Premises not be redeemed, any remaining excess Rents to belong to the Assignee, whether or not a deficiency exists;
- (ii) If the Assignee is not the purchaser at the foreclosure sale, to the extent permitted by law, the Rents shall be paid to the Assignee to be applied first, to the extent of any deficiency remaining after the sale, the balance to be retained by the purchaser, and if the Premises be redeemed by the Assignor or any other party entitled to redeem, to be applied as a credit against the redemption price with any remaining excess Rents to be paid to the Assignor, provided, if the Premises not be redeemed any remaining excess Rents shall be paid first, to the purchaser at the foreclosure sale in an amount equal to the interest accrued upon the sale price, then to the Assignee to the extent of any deficiency remaining unpaid and the remainder to the purchaser.

7. No Liability For The Assignee. The Assignee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty or liability under said Leases nor shall this Assignment operate to place responsibility for the control, care, management or repair of the Premises upon the Assignee nor for the carrying out of any of the terms and conditions of said Leases; nor shall it operate to make the Assignee responsible or liable for any waste committed on the Premises, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of said Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger nor liable for laches or failure to collect the Rents and the Assignee shall be required to account only for such moneys as are actually received by it. All actions taken by the Assignee pursuant to this Assignment



shall be taken for the purposes of protecting the Assignee's security and the Assignor hereby agrees that nothing herein contained and no actions taken by the Assignee pursuant to this Assignment, including, but not limited to, the Assignee's approval or rejection of any Lease for any portion of the Premises, shall in any way alter or impact the obligation of the Assignor to pay the Indebtedness Secured Hereby. The Assignor hereby waives any defense or claim that may now exist or hereinafter arise by reason of any action taken by the Assignee pursuant to this Assignment.

8. Assignor To Hold Assignee Harmless. The Assignor shall and does hereby agree to indemnify and to hold the Assignee harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases. Should the Assignee incur any such liability, or any costs or expenses in the defense of any such claims or demands, the amount thereof, including costs, expenses, and attorneys' fees, shall be secured hereby, shall be added to the Indebtedness Secured Hereby and the Assignor shall reimburse the Assignee therefor immediately upon demand, and the continuing failure of the Assignor so to do shall constitute a default hereunder and an Event of Default under the Deed of Trust.
9. Security Deposits. The Assignor agrees on demand to transfer to the Assignee any security deposits held by the Assignor under the terms of the Leases. The Assignor agrees that such security deposits may be held by the Assignee without any allowance of interest thereon, except statutory interest accruing to the benefit of the tenants, and shall become the absolute property of the Assignee upon a default hereunder or an Event of Default under the Deed of Trust to be applied in accordance with the provisions of the Leases. Until the Assignee makes such demand and the deposits are paid over to the Assignee, the Assignee assumes no responsibility to the tenants for any such security deposit.
10. Authorization To Tenants. The tenants under the Leases are hereby irrevocably authorized and directed to recognize the claims of the Assignee or any receiver appointed hereunder without investigating the reason for any action taken by the Assignee or such receiver, or the validity or the amount of indebtedness owing to the Assignee, or the existence of any default in the Note, the Deed of Trust, or under or by reason of this Assignment, or the application to be made by the Assignee or receiver. The Assignor hereby irrevocably directs and authorizes the tenants to pay to the Assignee or such receiver all sums due under the Leases and consents and directs that said sums shall be paid to the Assignee or any such receiver in accordance with the terms of its receivership without the necessity for a judicial determination that a default has occurred hereunder or under the Deed of Trust or that the Assignee is entitled to exercise its rights hereunder, and to the



extent such sums are paid to the Assignee or such receiver, the Assignor agrees that the tenants shall have no further liability to the Assignor for the same. The sole signature of the Assignee or such receiver shall be sufficient for the exercise of any rights under this Assignment and the sole receipt of the Assignee or such receiver for any sums received shall be a full discharge and release therefor to any such tenants or occupants of the Premises. Checks for all or any part of the Rents collected under this Assignment shall upon notice from the Assignee or such receiver be drawn to the exclusive order of the Assignee or such receiver.

11. Satisfaction. Upon the payment in full of all Indebtedness Secured Hereby as evidenced by a recorded full reconveyance of the Deed of Trust executed by the Assignee, or its subsequent assign, this Assignment shall without the need for any further satisfaction or release become null and void and be of no further effect.
12. Assignee Creditor Of The Tenants. Upon the occurrence and during the continuance of an Event of Default as defined in the Deed of Trust, the Assignor agrees that the Assignee, and not the Assignor, shall be and be deemed to be the creditor of the tenants in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such tenants, (without obligation on the part of the Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein, and reserving the right to the Assignor to make such filing in such event) with an option to the Assignee to apply any money received by the Assignee as such creditor in reduction of the Indebtedness Secured Hereby.
13. Assignee Attorney-In-Fact. The Assignor hereby irrevocably appoint the Assignee and its successors and assigns as its agent and attorney in fact, which appointment is coupled with an interest, to exercise any rights or remedies hereunder and to execute and deliver during the term of this Assignment such instruments as this Assignee may deem necessary to make this Assignment and any further assignment effective.
14. Subsequent Leases. Until the Indebtedness Secured Hereby shall have been paid in full, the Assignor will deliver to the Assignee executed copies of any and all other and future Leases upon all or any part of the said Premises and agrees to make, execute and deliver unto the Assignee upon demand and at any time or times, any and all assignments and other instruments sufficient to assign the Leases and the Rents thereunder to the Assignee or that the Assignee may deem to be advisable for carrying out the true purposes and intent of this Assignment. From time to time on request of the Assignee the Assignor agrees to furnish the Assignee with a rent roll of the Premises disclosing current tenancies, rents payable, and such other matters as the Assignee may request.
15. General Assignment Of Leases And Rents. The rights contained in this Assignment are in addition to and shall be cumulative with the rights given and



created in Article 6 of the Deed of Trust, assigning generally all leases, rents and profits of the Premises and shall in no way limit the rights created thereunder. The giving of this Assignment is a condition precedent of the Assignee's to the making of the Deed of Trust loan secured hereby.

16. No Mortgagee In Possession. Nothing herein contained and no actions taken pursuant to this Assignment shall be construed as constituting the Assignee a "Mortgagee in Possession."
17. Continuing Rights. The rights and powers of the Assignee or any receiver hereunder shall continue and remain in full force and effect until all Indebtedness Secured Hereby, including any deficiency remaining from a foreclosure sale, are paid in full, and shall continue after commencement of a foreclosure action and, if the Assignee be the purchaser at the foreclosure sale, after foreclosure sale and until expiration of the equity of redemption.
18. Successors and Assigns. This Assignment and each and every covenant, agreement and provision hereof shall be binding upon the Assignor and its successors and assigns including without limitation each and every from time to time record owner of the Premises or any other person having an interest therein and shall inure to the benefit of the Assignee and its successors and assigns. As used herein the words "successors and assigns" shall also be deemed to mean the heirs, executors, representatives and administrators of any natural person who is or becomes a party to this Assignment.
19. Governing Law. This Assignment shall be governed by the laws of the State of Washington.
20. Validity Clause. It is the intent of this Assignment to confer to the Assignee the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Assignment.
21. Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing and either (a) mailed by certified mail, return receipt requested, or (b) sent by an overnight carrier which provides for a return receipt, or (c) sent by facsimile followed up by mailing of such notice by either of the methods set forth in subsections (a) or (b) above on the day of sending such facsimile or the next succeeding business day. Any such notice shall be sent to the respective party's address as set forth on Page 1 of this Assignment or to such other address as such party may, by notice in writing, designate as its address. Any such notice shall constitute service of notice hereunder three (3) days after the mailing thereof by certified mail, one (1) day



after the sending thereof by overnight carrier, and on the same day as the sending of a facsimile pursuant to the terms hereof.

22. Costs of Enforcement. Assignor agrees to pay the costs and expenses, including but not limited to attorneys' fees and legal expenses incurred by Assignee in the exercise of any right or remedy available to it under this Assignment, whether or not suit is commenced including, without limitation, attorneys' fees and legal expenses incurred in connection with any appeal of a lower court's order or judgment.
23. Partial Non-Recourse to the Partners of the Assignor. Notwithstanding anything to the contrary contained in this Assignment, the liability of the partners of the Assignor for the Indebtedness Secured Hereby and for the performance of the other agreements, covenants and obligations contained in the Note, the Deed of Trust, this Assignment and other security documents securing the Note shall be limited as set forth in Section 21 of the Note.
24. Oral Agreements. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING PAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

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IN WITNESS WHEREOF, the Assignor has caused this Assignment of Leases and Rents to be executed as of the date first above written.

STEIN FAMILY LIMITED PARTNERSHIP,
a Washington limited partnership

By: Marvin Stein Testamentary Trust
Its: General Partner

By: [Signature]
Yolanda Stein
Its: Trustee

STATE OF WASHINGTON)

COUNTY OF KING)

On this 17th day of February, 2012, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Yolanda Stein, to me known to be trustee of the Marvin Stein Testamentary Trust, which is the sole general partner of Stein Family Limited Partnership, a Washington limited partnership, the limited partnership that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said limited partnership, for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute the said instrument.

[Signature]

NOTARY PUBLIC

Print Name: KARL NORAMBUENA

My Commission Expires: 11/17/14

KARL NORAMBUENA
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES
11-17-14



201202230066
Skagit County Auditor

EXHIBIT "A"
LEGAL DESCRIPTION

THE SOUTH 1/2 OF BLOCK 8, "WEST ADDITION TO THE TOWN OF WOOLLEY, SKAGIT COUNTY, WASH.", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 89, RECORDS OF SKAGIT COUNTY, WASHINGTON. SAID SOUTH 1/2 CONSISTS OF LOTS 13 THROUGH 24.

TOGETHER WITH THE NORTH 15 FEET OF HARRISON STREET ADJACENT THERETO AS VACATED BY CITY ORDINANCE NO. 1285-97, RECORDED UNDER AUDITOR'S FILE NO. 9802200031.

EXCEPTING THEREFROM THAT PORTION OF LOT 13 CONVEYED TO THE STATE OF WASHINGTON FOR SECONDARY STATE HIGHWAY NO. 1-A AND 1-F, SEDRO-WOOLLEY VICINITY, BY DEEDS RECORDED APRIL 14, 1956, UNDER AUDITOR'S FILE NO. 516234, AND MAY 27, 1955, UNDER AUDITOR'S FILE NO. 518491.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED 2 PARCELS FOR RIGHT-OF-WAY DEDICATIONS ON HARRISON STREET AS RECORDED UNDER AUDITOR'S FILE NO. 200710100079.

1.) A PORTION OF LOT 24, SOUTH 1/2 OF BLOCK 8, "WEST ADDITION TO THE TOWN OF WOOLLEY, SKAGIT COUNTY, WASH.", AS DEPICTED AND RECORDED IN VOLUME 2, PAGE 89 OF SKAGIT COUNTY PLATS, AND OF THE VACATED NORTH 15 FEET OF HARRISON STREET AS DESCRIBED IN CITY ORDINANCE 1285-97 RECORDED UNDER AUDITOR'S FILE NO. 9802200031. SAID PARCEL IS WITHIN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M., AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 24; THENCE SOUTH 01°16'33" WEST ALONG THE WEST LINE OF SAID VACATED NORTH 15 FEET A DISTANCE OF 15 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 88°43'27" EAST ALONG THE SOUTH LINE OF SAID VACATED NORTH 15 FEET A DISTANCE OF 30.00 FEET; THENCE NORTH 43°43'27" WEST A DISTANCE OF 42.43 FEET TO AN INTERSECTION WITH THE WEST LINE OF SAID LOT 24; THENCE SOUTH 01°16'33" WEST ALONG SAID WEST LINE AND ALONG THE WEST LINE OF SAID VACATED 15 FEET A DISTANCE OF 30.00 FEET TO THE TRUE POINT OF BEGINNING.

2.) A PORTION OF THE VACATED NORTH 15 FEET OF HARRISON STREET VACATED IN CITY ORDINANCE 1285- 97 AND RECORDED UNDER AUDITOR'S FILE NO. 9802200031. HARRISON STREET LIES SOUTH OF THE SOUTH 1/2 BLOCK 8, "WEST ADDITION TO THE TOWN OF WOOLLEY, SKAGIT COUNTY, WASH.", AS RECORDED IN VOLUME 2, PAGE 89 OF SKAGIT COUNTY PLATS, SAID PLAT IS WITHIN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M., SAID PORTION OF THE VACATED NORTH 15 FEET IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID VACATED NORTH 15 FEET; THENCE NORTH 88°43'27" WEST ALONG THE SOUTH LINE OF SAID VACATED NORTH 15 FEET A DISTANCE OF 9.05 FEET; THENCE NORTH 69°28'12" EAST A DISTANCE OF 11.36 FEET TO AN INTERSECTION WITH THE EAST LINE OF SAID VACATED NORTH 15 FEET; THENCE SOUTHWEST ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 369.30 FEET, A CENTRAL ANGLE OF 0°41'43" FOR AN ARC DISTANCE OF 4.48 FEET TO THE TRUE POINT OF BEGINNING.

3407/1284;02/16/12



201202230066
Skagit County Auditor