

**202001300456**01/30/2020 11:07 AM Pages: 1 of 9 Fees: \$111.50
Skagit County Auditor

After Recording, please return to:

Land Title & Escrow of Skagit & Island County
111 E George Hopper Rd.
Burlington, WA 98233

01-173389-O

Lease No. 22-091862

Land Title and Escrow**Recording Cover Page**

Document Title(s) (for transactions contained therein): 1. Consent to Assignment of Lease for Security Purposes 2. 3. 4.	
Reference Number(s) of Documents assigned or released: 201501120102 (on page ____ of documents(s))	
Grantor(s) 1. State of Washington Department of Natural Resources 2. 3. 4.	
Additional Names on page _____ of document.	
Grantee(s) 1. Notio Felix, LLC 2. Northwest Business Development Association 3. 4.	
Additional Names on page _____ of document.	
Legal Description (abbreviated i.e. lot, block, plat or section, township, range) Ptn blk 1, Map of LaConner & Ptn Tr 6, Plate 8, Tideland/LaConner	
Additional legal is on page _____ of document.	
Assessor's Property Tax Parcel/Account Number 4129-018-006-0004, P74455, 4123-023-000-0105, P74103	
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.	



HILARY S. FRANZ
COMMISSIONER OF PUBLIC LANDS

CONSENT TO ASSIGNMENT OF LEASE FOR SECURITY PURPOSES

Lease No. 20-091862

THIS CONSENT TO ASSIGNMENT OF LEASE FOR SECURITY PURPOSES (this "Consent") is made by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources (the "State"), and NOTIO FELIX, LLC, a Washington Corporation ("Tenant"), and NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION, a national banking association ("Lender").

BACKGROUND

- A. Tenant and State are parties to a lease, known as Lease No. 20-091862, dated the 17th day of December 2014, and recorded with the Skagit County Auditor's office under Auditor's File Number 201501120102 (the "Lease").
- B. The Lease was initially entered into with Nell Thorn, LLC as the tenant.
- C. Nell Thorn, LLC assigned its interest in the Lease to Tenant in that Assignment of Aquatics Land Lease recorded on the 19th day of August, 2019 in Skagit County under Auditor's File Number 201908190051, and such assignment was consented to by State in that Notice and Consent to Assignment recorded on the 19th day of August, 2019 in Skagit County under Auditor's File Number 201908190050.
- D. State consented to Tenant's assignment of the Lease to JP Morgan Chase Bank for security purposes in that Consent to Assign for Security Purposes recorded on the 19th day of August 2019 in Skagit County under Auditor's File Number 201908190052.
- E. The Lease was amended by that Aquatic Lands Amendment Agreement dated the 6th day of January, 2020 and recorded on the 10th day of January, 2020 in Skagit County under Auditor's File Number 202001100151.
- F. Tenant and State are also parties to a lease, known as Lease No. 22-A02689, dated the 17th day of December 2014, and recorded with the Skagit County

Auditor's office under Auditor's File Number 201501120101 ("Lease 22-A02689"). Lease 20-091862 and Lease 22-A02689 are both required to allow the Permitted Use of a commercial building.

- G. The Term "Lease" in this Consent includes all amendments to the Lease previous to the date of this Consent.
- H. Pursuant to a certain Loan Authorization dated April 24, 2019, Lender has agreed to make a loan to Tenant in the amount of four hundred and forty-five thousand dollars (\$445,000) (the "Loan"). Part of the security for payment of the Loan is an assignment of the Lease. The Lease prohibits such an assignment without State's consent. State is willing to give its consent based upon the assurances and agreements made in this Agreement.

Therefore, the parties agree as follows:

SECTION 1 TENANT'S REPRESENTATIONS

Tenant represents and warrants to State and to Lender that:

- (a) the Lease is in full force and effect,
- (b) Tenant is not in default or breach of the Lease,
- (c) Tenant has no knowledge of any claims, offsets or defenses under the Lease or against State,
- (d) the rents due subsequent to the assignment have not been paid in advance,
- (e) to the best of its knowledge, the property which is described in the Lease is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws; and
- (f) the Lease represents the entire agreement between State and Tenant.

SECTION 2 STATE CONSENTS TO THE ASSIGNMENT OF THE LEASE FOR SECURITY PURPOSES

Subject to the conditions of this Consent, State consents to (1) the execution and delivery by Tenant of a mortgage ("Security Instrument") to Lender with subsequent assignment thereof to Small Business Administration, pursuant to which Tenant will grant a security lien on all of its right, title, and interest in and to the Lease and the leasehold estate in the Property, (2) the assignment of the Lease upon foreclosure under the Security Instrument, (3) assignment of the Lease in lieu of foreclosure under the Security Instrument, and (4) an assignment of the Lease by Lender following foreclosure of the Security Instrument, if applicable, or assignment in lieu of foreclosure, notwithstanding any prohibition or condition on such assignments in the Lease. State's Consent to (2) – (3) above is contingent upon an assignment of Lease No. 22-A02689 to Lender. Lender shall not foreclose under the Security Agreement unless Lender simultaneously forecloses on the Security Agreement relating to Lease No. 22-A02689 or otherwise becomes the Tenant of Lease No. 22-A02689. State's Consent to (4) above is contingent upon Lender

simultaneously assigning Lease No. 22-A02689 to the same person or entity. This Agreement does not grant Lender a security interest in Lease No. 22-A02689. Any rights Lender may have relating to Lease No. 22-A02689 is set forth in a separate agreement.

In the event of foreclosure of the Security Instrument or delivery of an assignment of lease in lieu of foreclosure and upon Lender notifying State of the completion of such foreclosure or assignment in lieu of foreclosure, the Lease shall continue in full force and effect as a direct lease between State and Lender or such other assignee of the Lease ("Successor Tenant"). Lender or Successor Tenant shall be fully liable for all obligations of Tenant under the Lease. The notice to State shall specifically confirm that Lender or Successor Tenant has acquired Tenant's interest in the Lease and that it is assuming the Tenant's obligations under the Lease, including curing any prior defaults. Prior to such foreclosure or assignment and notification as set forth above, Lender or Successor Tenant shall not be liable for any of the obligations of Tenant under the Lease.

SECTION 3 TRANSFER OR ASSIGNMENT OF SECURITY INSTRUMENT

Tenant shall promptly provide written notice to State of any transfer of control of the Security Instrument.

SECTION 4 DEFAULT

State will exercise a good faith effort to send to Lender a copy of any notices of default it issues to Tenant under the Lease. Failure to provide notices to Lender shall not relieve Tenant of its obligations under the Lease nor extend the time in which Tenant has the right to cure the default. State grants to Lender the same time to cure any default as is provided to Tenant under the Lease; provided that Lender shall have the right, but not the obligation, to cure such default. Lender's time to cure shall commence upon State's provision of notice of the default to Lender. State shall not terminate the Lease under Section 14 of the Lease or pursue any other right or remedy under the Lease triggered by an Event of Default under Section 14 of the Lease until Lender's time period for cure has expired. Lender agrees that if State has the right to terminate the Lease under Section 12.5 of the Lease, State may terminate the Lease without providing Lender or Tenant prior notice of the default(s) or an opportunity to cure.

SECTION 5 COLLECTION ON BONDS

If Tenant defaults on the Lease, State reserves the right to collect on any bonds posted by Tenant for the benefit of State. Lender acknowledges that its interest in the bonds are inferior to those of State.

SECTION 6 CONSENT OF LENDER

No agreement between State and Tenant modifying, canceling, or surrendering the Lease shall be effective without the prior written consent of Lender; provided that nothing in this Section 6 shall limit State's right to terminate the Lease in the event of a default in accordance with the provisions of this Consent or upon condemnation in accordance with the terms of the Lease.

SECTION 7 RATIFICATION OF LEASE

Except as expressly modified herein, the Lease remains in effect as is hereby ratified and confirmed.

SECTION 8 MISCELLANEOUS

1. Parties shall direct notices required or permitted under this Consent to the addresses appearing in the signature page of this Consent. Any Party may change the place of delivery upon ten (10) days' written notice to the others. Notice is effective upon personal delivery or three (3) days after mailing.
2. The agreements contained in this Consent shall continue in force until either (1) termination of the Lease and expiration of Lender's rights under Section 4 of this Consent or (2) indefeasible payment and full satisfaction of all Tenant's obligations and liabilities to Lender under the Loan agreement and termination of all financing arrangements among Lender and Tenant. Lender's rights pursuant to this Consent shall not be terminated or otherwise adversely affected by any extension, waiver, consent or other indulgence granted by Lender to Tenant.

3. Within thirty (30) days of assignment of the Lease in connection with the foreclosure under the Security Instrument, or assignment of the Lease in lieu of foreclosure or assignment of the Lease by Lender following such foreclosure of the Mortgage or assignment in lieu of foreclosure, Lender or Successor Tenant shall record the assignment in the Skagit County Assessor's Office. Such recording shall reference the recording number of the Lease. Lender or Successor Tenant shall notify State of recording number.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

Dated: 24 JAN, 2020

NOTIO FELIX, LLC

Theodor L. Furst

By: THEODOR L. FURST
Title: Member
Address: 2005 E. Mercer Street
Seattle, WA 98112
Phone: 206-851-7340

NORTHWEST BUSINESS DEVELOPMENT
ASSOCIATION

Dated: January 27, 2020

Debra Shipman

By: DEBRA SHIPMAN
Title: President
Address: 9019 East Appleway Blvd., Suite 200
Spokane Valley, WA 99212
Phone: 509-458-8555

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: January 28, 2020

Katrina Lassiter

Name: KATRINA LASSITER
Title: Interim Deputy Supervisor Aquatics
Address: 1111 Washington Street SE
Mailstop 47027
Olympia, WA 98504-7027

Approved as to form this
5th day of November 2019
Jennifer Clements, Assistant Attorney General

REPRESENTATIVE ACKNOWLEDGMENT

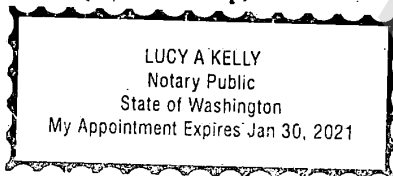
STATE OF WASHINGTON)
) ss.
COUNTY OF Snohomish)

I certify that I know or have satisfactory evidence that THEODOR L. FURST is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the member of NOTIO FELIX, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 01/24/2020

Lucy A. Kelly
(Signature)

(Seal or Stamp)



Lucy A. Kelly
(Print Name)
Notary Public in and for the State of Washington,
residing at La Conner WA

My appointment expires 01/30/2021

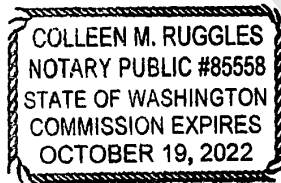
REPRESENTATIVE ACKNOWLEDGMENT

STATE OF Washington)
) ss.
COUNTY OF Spothane)

I certify that I know or have satisfactory evidence that DEBRA SHIPMAN is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the President of NORTHWEST BUSINESS DEVELOPMENT ASSOCIATION to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January 27, 2020

(Seal or Stamp)



Colleen M. Ruggles
(Signature)

COLLEEN M. RUGGLES
(Print Name)

Notary Public in and for the State of Washington,
residing at Spothane

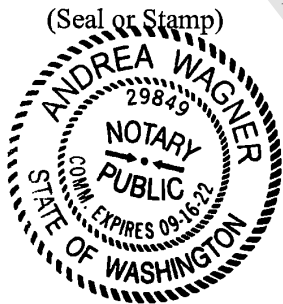
My appointment expires 10/19/22

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of Thurston)

I certify that I know or have satisfactory evidence that KATRINA LASSITER is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Interim Deputy Supervisor for Aquatics of the Department of Natural Resources, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1-28-2020



Andrea Wagner
(Signature)

Andrea Wagner
(Print Name)
Notary Public in and for the State of Washington,
residing at Clyde

My appointment expires 9-16-22