

**ABSOLUTE ASSIGNMENT OF LEASES, RENTS AND INCOME**

Record and return to:  
First American Title Insurance Company  
200 SW Market Street  
Suite 250  
Portland, OR 97201

Assessor's Property Tax Parcel: P131203 & 340418-1-010-0102  
Abbreviated Legal Description: PORTION OF THE SW 1/4 OF THE NE 1/4 OF SECTION 18, TOWNSHIP 34 N, RANGE 4 E, W.M.

Complete description attached hereto as Exhibit A.

THIS ABSOLUTE ASSIGNMENT OF LEASES, RENTS AND INCOME (this "Assignment") is made effective as of March 4, 2022, by SEAWEED VENTURES, LLC, a Washington limited liability company, whose address is 1260 Rhoda Drive, La Jolla, California 92037 (the "Assignor") in favor of SECURITY BANK AND TRUST COMPANY, a Tennessee banking corporation, whose address is 210 W. Washington Street, P.O. Box 1209, Paris, Tennessee 38242 (the "Assignee").

**WITNESSETH:**

WHEREAS, Assignor is the owner of certain real property with the buildings and improvements thereon situated in Skagit County, Washington, more particularly described in Exhibit A attached hereto and made a part hereof (such real property together with the buildings and improvements now or hereafter thereon is referred to as the "Property"); and

WHEREAS, Assignor is the current landlord under that certain Freestanding Lease dated March 18, 2019 between WF Mount Vernon, LLC, an Idaho limited liability company, as Landlord and 7-Eleven, Inc., a Texas corporation, as "Tenant", as assigned to and assumed by Assignor as Landlord pursuant to an Assignment of Lease dated December 30, 2020 (collectively, the "Property Lease"); and

WHEREAS, Assignor has agreed to assign all Leases and Rents (as hereinafter defined) to Assignee;

NOW, THEREFORE, for and in consideration of \$10.00 and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby PRESENTLY, ABSOLUTELY, IRREVOCABLY and UNCONDITIONALLY assigns, conveys, transfers and sets over unto Assignee all of its right, title and interest in and to all leases in which it is landlord, by assignment or otherwise, now on the Property, or any portion thereof, or which may hereafter be placed thereon, together with all letters of credit, guaranties and other security now or hereafter relating thereto (all of such leases, letters of credit, guaranties and other security are collectively referred to as the "Leases", whether one or more), including without limitation the Property Lease, and all of the rents, issues, income and profits and revenues of any and every nature ("Rents") now due or which

**FIRST AMERICAN NCS-1104851-0R1**

hereafter become due and derived from the Property. It is understood and agreed that the assignment herein shall constitute a perfected, absolute, unconditional and present assignment from Assignor to Assignee and not an assignment for security purposes only. Notwithstanding the foregoing, and although the assignments and transfers herein are present, absolute and otherwise unconditional, until an Event of Default (as hereinafter defined) shall occur, Assignor may receive, collect and enjoy (and Assignor hereby reserves a revocable license (the "License") to receive, collect and enjoy) the Rents so long as such Rents are not paid for more than one (1) month in advance; but it is covenanted and agreed by Assignor that upon the occurrence of any Event of Default which continues beyond any applicable cure or grace period, and until such time as said Event of Default is cured by Assignor, Assignee may receive and collect all Rents and, at its option, exercise all other powers, privileges and benefits granted by this Assignment said License in favor of Assignor being automatically and immediately revoked and terminated without further action by Assignee, and Assignor will immediately turn over all Leases to Assignee at its request and will execute any further assignment necessary to effect such transfer. Notwithstanding the foregoing, this assignment of Leases and Rents is intended as security and is specific, perfected and choate upon recording of this Security Instrument, as provided in RCW 7.28.230(3).

The term "Event of Default" means: (i) the failure of Assignor to pay the debt now or hereafter evidenced by that certain Promissory Note of even date herewith in the principal amount of Three Million Three Hundred Ten Thousand Five Hundred and 00/100 Dollars (\$3,310,500.00) payable by Assignor to Assignee or evidenced by any extension, renewal, modification or replacement thereof, with an initial maturity date of March 10, 2032 (such Promissory Note together with all extensions, renewals, modifications and replacements thereof are referred to as the "Note") in accordance with the terms thereof and subject to any applicable cancellation period in the Loan Agreement; or (ii) an "Event of Default" under and defined in the Loan Agreement between Assignor and Assignee of even date herewith (the "Loan Agreement"); the failure by Assignor to pay or perform any other indebtedness, obligation or liability owing by Assignor to Assignee beyond any applicable cancellation period in the Loan Agreement, whether now existing or hereafter incurred or arising, whether absolute or contingent, whether incurred as maker or guarantor, and regardless of the class of such indebtedness, obligation or liability, including specifically, without limitation any future advances, all costs and expenses (including attorneys' fees) incurred by Assignee in collecting such indebtedness, including without limitation, any indemnification obligations of Assignor relating to the Property.

In furtherance of the foregoing assignment, Assignor hereby authorizes Assignee, upon the occurrence of an Event of Default, at Assignee's option, to enter upon the Property and to collect, by its officers, agents, or employees, in the name of Assignor, or in its own name as assignee, the Rents accrued but unpaid and in arrears at the date of any such Event of Default, as well as the Rents thereafter accruing and becoming payable during the period thereafter. Assignor also authorizes Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property, and in general to perform all actions necessary in connection therewith in the same manner and to the same extent as Assignor might reasonably so act. Upon electing to exercise the rights herein granted, Assignee shall, within its own discretion, determine the method of collection and the extent to which enforcement of collection of delinquent Rents shall be prosecuted, but it shall not be accountable for more money than it actually receives from the Property and shall not be liable for failure to collect Rents. Assignee shall have full power to use and apply all of the Rents in such manner as it may elect in its sole discretion including, without limitation, to the payment of the costs of managing, operating and maintaining the Property, including but not limited to the payment of taxes, special assessments, insurance premiums, damage claims, the cost of maintaining, repairing, rebuilding and restoring the improvements on the Property or of making the same rentable, attorneys' fees incurred in connection with the enforcement of this Assignment and to the performance of Assignor's obligations under the Leases, all in such other order and manner as Assignee may determine in its sole discretion.

It is agreed and understood by Assignor that there shall be no legal obligation on the part of Assignee to collect the Rents, nor shall Assignee be in any manner liable or responsible for the failure of the tenants of Assignor to pay said Rents. ASSIGNEE SHALL NOT BE OBLIGATED TO PERFORM OR DISCHARGE ANY OBLIGATION OR DUTY OF ASSIGNOR UNDER ANY LEASE OR OTHERWISE RELATING TO THE PROPERTY AS A RESULT OF THIS ASSIGNMENT OR OTHERWISE, AND NOTHING IN THIS ASSIGNMENT SHALL BE CONSTRUED AS AN ASSUMPTION BY ASSIGNEE OF ANY SUCH OBLIGATION OR DUTY OR OPERATE, TO MAKE ASSIGNEE RESPONSIBLE FOR THE MANAGEMENT, OPERATION OR MAINTENANCE OF THE PROPERTY, OR OTHERWISE BE DEEMED TO CONSTITUTE

ASSIGNEE A "MORTGAGEE IN POSSESSION" OF THE PROPERTY. Assignor agrees to defend, indemnify and hold Assignee harmless from and against any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees) that Assignee may at any time incur or suffer under any of the Leases, by reason of this Assignment, or in any other manner relating to the Property. This indemnification and all other indemnification obligations provided herein shall survive the payment of the Note, the exercise of any right or remedy under this Assignment or any other Loan Document (as defined in the Loan Agreement), any subsequent sale or transfer of the Property, the release of this Assignment by Assignee, and all similar or related events or occurrences.

Assignor by these presents does hereby authorize and direct any tenant or tenants of all or any portion or portions of the Property, upon receipt of notice in writing from Assignee of any Event of Default, to pay to Assignee all Rent then due or thereafter to become due under the terms of any Lease, including without limitation, the Property Lease. Upon the occurrence of an Event of Default, Assignor does hereby designate Assignee (Assignee's officers and agents) as Assignor's attorney-in-fact with full power to collect all said Rents, to receive, open and dispose of all mail addressed to Assignor, to endorse all checks, drafts, money orders or other evidence of payment with respect to the Property (including the Rents therefrom) and to take such further action as may reasonably be required in connection with the exercise of Assignee's remedies hereunder. Such power of attorney being coupled with an interest is irrevocable.

Assignor does hereby agree to immediately reimburse Assignee for all costs and expenses (including reasonable attorneys' fees) incurred by Assignee in managing the property or collecting the Rents.

Assignor shall not be entitled to, and hereby covenants and agrees that it will not, without the written consent of Assignee:

- (1) Cancel the Property Lease or any other Lease or accept a surrender thereof, except in accordance with the conditions and contingencies as set out therein or in the Loan Agreement;
- (2) Modify the Property Lease or any other Lease so as to decrease the term of such Lease, reduce the rent or change the time of payment of same, or diminish the obligation of the Tenant with regard to the payment of taxes, insurance or other similar items, or make any other amendment or modification that materially adversely affects the obligations of the Tenant (or guarantor or other party) under the Property Lease or any other Lease;
- (3) Consent to an assignment of Tenant's (or guarantor's or other party's) interest in or under the Property Lease or any other Lease which will relieve Tenant (or guarantor or other party) of liability for the payment of rent or the performance of the terms and conditions of the Property Lease or any other Lease;
- (4) Collect the Rents for more than one (1) month in advance; or
- (5) Enter into any Lease except for the Property Lease (the Property Lease and any other Lease shall be junior and subordinate to this Assignment and all deeds of trust and similar documents in favor of Assignee).

Any of the above acts, if done without the written consent of Assignee, shall be null and void. Assignor covenants and agrees that it will perform all of the material obligations and duties of the landlord (lessor) to be performed under the Leases, including without limitation, the Property Lease.

Assignor hereby covenants and warrants to Assignee that Assignor has not executed any prior assignment or pledge of the Rents or of its interest in and to the Property Lease or any other Lease, and further covenants and agrees that it has not performed any acts or executed any agreement which might prevent Assignee from operating under any of the terms and conditions of this Assignment, or which would limit Assignee in such operation. Assignor covenants not to execute any other assignment or pledge of the Rents or of its interest in the Property Lease or any other Lease, and further covenants that it will not execute any other agreement which might prevent Assignee from operating under any of the terms and conditions of this Assignment, or which would limit Assignee in such operation.

The rights and powers herein granted, conveyed, and assigned are continuing rights, and the exercise of same upon the occasion of one Event of Default shall not abrogate or diminish the rights and powers of Assignee hereunder upon the occasion of any subsequent Event of Default, and, likewise, the failure to exercise same upon the occasion of any Event of Default shall not constitute a waiver of the right of Assignee to exercise the powers and privileges herein granted upon the occasion of a subsequent Event of Default. The collection and application of the Rents shall not constitute a waiver of any Event of Default which might at the time of the application or thereafter exist under the Note or the Loan Documents, and the payment of the indebtedness evidenced by the Loan Documents may be accelerated in accordance with the terms of the Loan Documents notwithstanding such application.

This Assignment is in addition to and not in lieu of any other assignment of leases or rents in favor of Assignee that may now or hereafter affect all or any part of the Property and is not intended for security purposes only.

Assignee reserves unto itself the right to foreclose the Loan Documents at any time after an Event of Default, and this Assignment shall in no manner operate to affect, impair, or diminish the rights granted Assignee under the Loan Documents, but the rights contained herein are in addition to the rights and privileges given Assignee under and by virtue of the Loan Documents.

It is also agreed and understood that Assignee shall incur no liability for the entrance by its agent upon the Property for purpose of collection of Rents.

This Assignment shall not be revoked without the consent of Assignee in writing. Upon the recordation by Assignee of the full release of all mortgages, deeds of trust, and other documents now or hereafter in favor of Assignee relating to the Property, Assignee shall execute a release of this Assignment and reassign all Rents and Leases to Assignor.

The provisions of this Assignment are severable and the invalidity or unenforceability of any provision shall not affect the validity and enforceability of any other provision. This Assignment shall be governed by and construed in accordance with the laws of the State of Washington without regard to conflicts of laws rules. The rights and remedies granted to Assignee in this Assignment are in addition to all other rights and remedies available under any other Loan Document or otherwise available at law or in equity, all of which are available to Assignee.

Whenever "Assignor" or "Assignee" occurs in this Assignment, or is referred to, the same shall be construed as singular or plural, masculine, feminine or neuter as the case may be, and shall include the heirs, executors, administrators, successors, assigns of either as though originally herein written.

(Execution page attached)

IN WITNESS WHEREOF, this Assignment has been duly executed and delivered by Assignor effective as of the date first above written.

**ASSIGNOR:**

SEAWEED VENTURES, LLC

By: Ira S. Feinswog  
Ira S. Feinswog, Managing Member

STATE OF CA

COUNTY OF San Diego

I certify that I know or have satisfactory evidence that IRA S. FEINSWOG is/~~are~~ the person(~~s~~) who appeared before me, and said person(~~s~~) acknowledged that he/~~she~~~~they~~ signed this instrument, on oath stated that he/~~she~~~~they~~ was/ ~~were~~ authorized to execute the instrument and acknowledged it as the Managing Member of SEAWEED VENTURES, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: \_\_\_\_\_

[SEAL]

See attached  
[SIGNATURE]

Printed Name: \_\_\_\_\_

Notary Public in and for the State of: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of SAN DIEGO

On FEBRUARY 28, 2022 before me, ANNE-MARIE PENKALA, NOTARY PUBLIC  
(insert name and title of the officer)

personally appeared IRA S. FEINSWOG

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the  
person~~(s)~~; or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Anne Marie Penkala (Seal)

Absolute Assignment of leases, rents and income

**EXHIBIT A****Property Description**

In the County of Skagit, State of Washington, and is described as follows:

Tract "A" of City of Mount Vernon Boundary Line Adjustment Survey labelled BLA-ENGR 19-0184 and recorded September 27, 2019 as Auditor's File No. 201909270129 being a portion of Lot 2 of City of Mount Vernon Short Plat No. LU 09-045 approved August 9, 2012 and recorded August 14, 2012 as Auditor's File No. 201208140051; TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, across and under a 40-foot wide strip of Lot 3 of said Short Plat adjoining the South line of Lot 2 as delineated on the face of said Short Plat and BLA Survey; all of the above being a portion of the Southwest 1/4 of the Northeast 1/4 of Section 18, Township 34 North, Range 4 East, W, M.