



200103270079
Skagit County Auditor

3/27/2001 Page 1 of 5 11:34:08AM

Return Address:

Whidbey Island Bank
P.O. Box 990
Oak Harbor, WA 98277

ISLAND TITLE COMPANY

A20354

ASSIGNMENT OF LEASE

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

Reference No.: 149007387

Assignors: HERITAGE CONSTRUCTION GROUP, LLC

Assignee: WHIDBEY ISLAND BANK

Legal Description (abbrev.): Ptn Lts 11-14, Blk 33, ANACORTES

Full legal on page # 5

Assessor's Tax Parcel ID No.: 3772-033-015-0004

MAR 27 2001

Amount Paid \$ 0
Skagit County Treasurer
By: *[Signature]* Deputy

THIS ASSIGNMENT is made and entered into as of March 21, 2001, between HERITAGE CONSTRUCTION GROUP, LLC, hereinafter referred to as "Assignor", and **WHIDBEY ISLAND BANK**, hereinafter referred to as "Assignee".

For value received, and subject to the terms and conditions described below, Assignor does hereby assign and set over, to Assignee all of its right, title and interest (either as the original tenant or assignee) in and to that ground lease dated February 1, 2001, between Assignor, as Tenant, and CITY OF ANACORTES, as Landlord, subject to all of the terms, conditions, covenants and agreements contained in said Lease. This assignment shall include, without limitation, assignor's right to extend the term of said ground lease, if any, and assignee shall have the right to exercise the option to extend the ground lease in the event the assignor fails to do so and, if in the judgment of the assignee, the exercise of such option is necessary to protect its interest as beneficiary. The Lease relates to the following described real property, to-wit:

SEE EXHIBIT "A"

This assignment of lease is provided to assignee to secure performance of the assignor's obligations pursuant to a promissory note or notes dated March 21, 2001 and a deed of trust of deeds of trust dated March 21, 2001. Accordingly, notwithstanding this assignment of the assignor's interest in the ground lease, the assignor shall continue to perform all of the terms, conditions, covenants and agreements of the Lease dated February 1, 2001, on the part of Tenant to be performed. Assignor agrees to remain liable for the faithful performance of all of the terms and conditions in the Lease dated February 1, 2001, and, in the event that Assignor shall default in the performance of the terms and conditions, or in the payment of the rent required thereby, the assignee may undertake the performance of any or all of those obligations to protect its interest in the leasehold estate.

So long as the assignor is not in default in any of its obligations to the assignee, Whidbey Island Bank agrees that the assignor may continue to have the use of the leased premises consistent with the terms of the assignor's interest therein.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first above written.

ASSIGNOR:

Stuck M B + J member
David E. Hansen

TITLE:

ASSIGNEE:

WHIDBEY ISLAND BANK

BY:

[Signature]

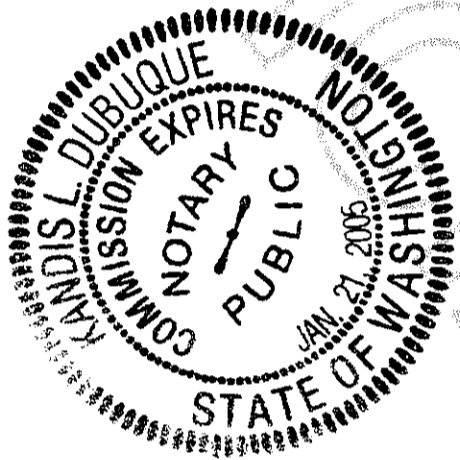
TITLE:



STATE OF WASHINGTON)
) ss.
County of ~~ISLAND~~ Skagit)

I certify that I know or have satisfactory evidence that David E Saunders and Patrick M Brunstad are the persons who appeared before me and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED 3/23/01.



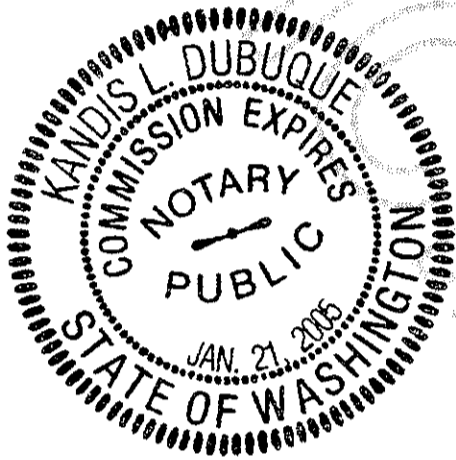
Kandis L. Dubuque
NOTARY PUBLIC for Washington State
My appointment expires 1-21-05



STATE OF WASHINGTON)
)ss.
County of ~~ISLAND~~ Skagit)

On this 23rd day of March before me, the undersigned, a notary public in and for the State of Washington, appeared John G. Hanstad, to me known to be the Vice President of WHIDBEY ISLAND BANK., the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Kandis L. Dubuque

NOTARY PUBLIC for Washington State
My commission expires 1-21-05



EXHIBIT "A"

Lots 11 through 14, Block 33, MAP OF THE CITY OF ANACORTES, according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington;

EXCEPTING THEREFROM

- The South 28 feet of Lots 11-14;
- The East 10 feet of Lot 14;
- The North 4 feet of Lots 11-14;

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



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, Skagit County Auditor