

Return Address:

Washington Mutual Bank
P.O. Box 429
Burlington, WA 98233



200301170003

Skagit County Auditor

1/17/2003 Page

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8 8:39AM

LAND TITLE COMPANY OF SKAGIT COUNTY

P104124E

DOCUMENT TITLE(S) (for transactions contained therein):

1. Assignment of Lease for Security Purposes
- 2.
- 3.
- 4.

Reference Number(s) of Documents assigned or released:

(on page ___ of document(s))
200007240086

Grantor(s)

1. Department of Natural Resources
- 2.
- 3.
- 4.

Additional Names on page ___ of document.

Grantee(s)

1. Washington Mutual Bank
- 2.
- 3.
- 4.

Additional Names on page ___ of document.

Legal Description (abbreviated i.e. lot, block, plat or section, township, range)

Lot 12, records of Skagit County, WA, 36, 34, 2

Additional legal is on page ___ of document.

Assessor's Property Tax Parcel/Account Number

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.

**DEPARTMENT OF NATURAL RESOURCES
DOUG SUTHERLAND, Commissioner of Public Lands
Olympia, Washington 98504**

**CONSENT TO
ASSIGNMENT OF LEASE FOR SECURITY PURPOSES NO. 22-002665
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**DEPARTMENT OF NATURAL RESOURCES
DOUG SUTHERLAND, Commissioner of Public Lands
Olympia, Washington 98504**

CONSENT TO ASSIGNMENT OF LEASE FOR SECURITY PURPOSES

Agreement No. 22-002665

THIS CONSENT is made by and between the STATE OF WASHINGTON, acting through the Department of Natural Resources (the "State"), and RICHARD & KAY TRELSTAD, husband and wife (Tenant), and WASHINGTON MUTUAL BANK, a Washington Corporation (Lender).

BACKGROUND

A. Tenant entered into a lease, known as Lease No. 22-002665, dated the 1st, day of March, 1987 and recorded with the Skagit County Auditor's office under Recording No. 200007240086 (the "Lease") with State.

B. Lender has agreed to make a loan to Tenant in the amount of Three Hundred Thirty Thousand Dollars (\$330,000.) (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 (i) the Lease is in full force and effect, (ii) Tenant is not in default or breach of the Lease, (iii) Tenant has no knowledge of any claims, offsets or defenses under the Lease or against State, (iv) the rents due subsequent to the assignment have not been paid in advance, (v) 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 (vi) the Lease, a copy of which is attached, represents the entire agreement between State and Tenant and has not been modified or amended.

SECTION 2 STATE CONSENTS TO THE ASSIGNMENT OF LENDER

In the event of foreclosure of the Lender's security interest 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 Lender and State. Lender shall be fully liable for all obligations of Tenant under the Lease. The notice to State shall specifically confirm that Lender 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 shall not be liable for any of the obligations of Tenant under the Lease. This Consent shall not apply to any assignee of Lender or any purchaser of Tenant's interest other than Lender.

SECTION 3 NOTIFICATION OF DEFAULT

State will exercise a good faith effort to send to Lender a copy of any notices of default it issues to Tenant. 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. This time to cure shall commence upon State's provision of notice of the default to Lender. If Tenant's interest has been terminated because of the default before Lender has had an opportunity to cure the default, then State will grant Lender an option to enter into a new Lease on the same terms and conditions provided Lender cures the default of Tenant within the time permitted in the Lease.

SECTION 4 COLLECTION ON BONDS

If Tenant defaults on the Lease, State reserves the right to collect on any bonds posted by Lender for the benefit of State. Lender acknowledges that its interest in the bonds are inferior to those of State. Lender will post a new bond in favor of State in accordance with the terms of the Lease if it acquires Tenant's interest as a result of a foreclosure or assignment in lieu of foreclosure.

SECTION 5 NOTICE

Any notice to Lender shall be to the following address or other address as may be designated by Lender in writing to State and shall be deemed to have been given on the date delivered in the case of personal delivery, or if mailed, three (3) days after the postmark thereof:

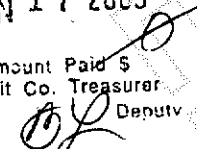
**Washington Mutual Bank
PO Box 429
Burlington, WA 98233**

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.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JAN 17 2003

Amount Paid \$
Skagit Co. Treasurer
By  Deputy



200301170003

Skagit County Auditor

SECTION 7 RATIFICATION OF LEASE

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

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

TENANT:

Dated: 12-31, 2002 By: Richard Trelstad
RICHARD TRELSTAD

Dated: 12/31, 2002 By: Kay Trelstad
KAY TRELSTAD

Address: PO Box 801
LaConner, WA 98257
Phone: 360-466-4146



LENDER:

WASHINGTON MUTUAL BANK
a Washington Corporation

Dated: December 31, 2002

By: Bryan McDonald
BRYAN MCDONALD

Title: Vice President

Address: PO Box 429
Burlington, WA 98233
Phone: 360-151-8967

**STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES**

Dated: 1/3, 2003

By: David Roberts
DAVID ROBERTS

Title: Aquatic Land Assistant Region Manager

Approval as to form this
1st day of June, 1998
Michael S. Grossmann,
Assistant Attorney General



200301170003
Skagit County Auditor

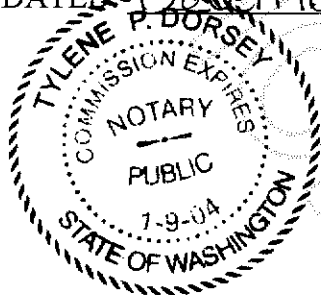
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CERTIFICATE OF ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that RICHARD TRELSTAD is the person who appeared before me. I further certify that said person acknowledge the foregoing instrument to be his/her free and voluntary act for the uses and purposes mentioned in the instrument

DATED: December 31, 2002

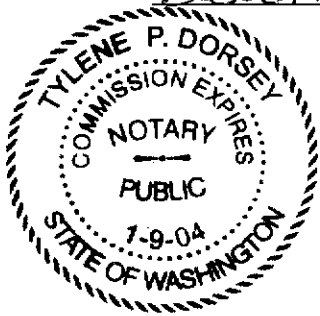


Tyleno P. Dorsey
Tyleno P. Dorsey
(Type/Print Name)
Notary Public in and for the State of Washington
residing at Sedro Woolley
My Commission Expires 1-9-04

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that KAY TRELSTAD is the person who appeared before me. I further certify that said person acknowledge the foregoing instrument to be his/her free and voluntary act for the uses and purposes mentioned in the instrument

DATED: December 31, 2002



Tyleno P. Dorsey
Tyleno P. Dorsey
(Type/Print Name)
Notary Public in and for the State of Washington
residing at Sedro Woolley
My Commission Expires 1-9-04

