

WHEN RECORDED RETURN TO:



200401200147
Skagit County Auditor

Name: _____

Address: _____ 1/20/2004 Page 1 of 3 11:31AM

City, State, Zip _____

FIRST AMERICAN TITLE CO.
A76429E4

Grantor BLK Properties, LLC
Grantee Leonard B. Walthew, Trustee, Walthew Family Tax Exempt Trust B
Abbrev. Leg. Lots 1-3, Block 9, and Lots 16-20, Block 20, City of Anacortes, Vol 2 of Plats, p. 4-7
Tract 33, Plate No. 9, Tideland and Shorelands, Sec. 18, T35N, R2E, WM
Tax Account No. 3772-019-003-0007; 3772-020-020-0004; 3772-020-018-0008; 3772-020-017-0009;
350218-0-024-0108
Ref. No. of Document

COLLATERAL ASSIGNMENT OF DEED OF TRUST

For value received, the undersigned as Beneficiary, hereby grants, conveys, assigns and transfers to Leonard B. Walthew, Trustee, Walthew Family Tax Exempt Trust B, as security all beneficial interest under that certain Deed of Trust, Dated JANUARY 15TH, 2004, executed by Mark A.M. Lione and Angelina M. Lione, husband and wife, Grantors, to First American Title Company, Trustee, and recorded on _____ 2004, under Auditors File No. 200401200146, records of Skagit County, Washington County, Washington, describing land therein as:

FOR FULL DESCRIPTION SEE EXHIBIT A ATTACHED HERETO

Together with note or notes therein described or referred to, the money due and to become due thereon, with interest, and all rights accrued or to accrue under said Deed of Trust.

interest, in accordance with the terms of a promissory note of even date herewith, payable to Leonard B. Walthew, Trustee, Walthew Family Tax Exempt Trust B, or order, and made by the assignor, BLK Properties, LLC, and all renewals, modifications and extensions thereof, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

It is further agreed between the parties that, in the event of default under the deed of trust, or the note in favor of BLK Properties, LLC, that it secures, BLK Properties shall pay all costs of enforcing and/or foreclosing said deed of trust and shall indemnify and

hold harmless the assignee (Walthew) from any costs or expenses incurred in enforcing and/or foreclosing the terms of the deed of trust being assigned to Walthew as collateral for BLK Properties' indebtedness to Walthew.

DATED JANUARY 15TH, 2004.

BLK Properties, L.L.C., a Washington Limited Liability Company, by:

William A. Kuhn

William A. Kuhn, Member

Linda D. Kuhn

Linda D. Kuhn, Member

**STATE OF WASHINGTON
COUNTY OF SKAGIT**

I certify that I know or have satisfactory evidence that William A. Kuhn and Linda D. Kuhn are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as Managing Members of BLK Properties, 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: 1-18-04

Nancy L. Albanese
Notary Public

Typed/printed notary name: Nancy L. Albanese

Residing at: 9 naves

My appointment expires: 6-29-05

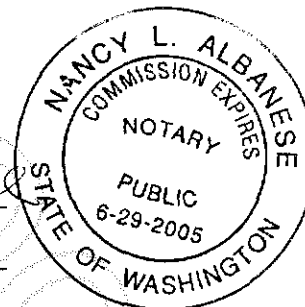


EXHIBIT A

Parcel "A":

Lots 1, 2 and 3, Block 19, "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.

Parcel "B":

Lots 16 through 20, Block 20, "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.

Parcel "C":

All that portion of Tract 33, Plate No. 9, Tide and Shore Lands of Section 18, Township 35 North, Range 2 East, W.M., according to the plat thereof recorded in the office of the Commissioner of Public Lands at Olympia, Washington, described as follows:

Commencing at the Northeast corner of Block 19, "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; thence South along the East line of said Block to an intersection with the Northwestern line of said Tract 33, said point being the true point of beginning; thence continuing South along the East line of said Block 19, extended Southerly to an intersection with the North line of the alley located within said Block 19, extended Easterly; thence Westerly along said North line of the alley, to an intersection with the Northwestern line of said Tract 33; thence Northeasterly along said Northwestern line to the true point of beginning.

Situate in Skagit County, Washington.

