



200505180136

Skagit County Auditor

After recording return to:
 Skagit State Bank
 PO Box 285
 Burlington WA 98233

5/18/2005 Page

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2 3:37PM

Land Title

ASSIGNMENT OF LEASE

P122497

**** Its successors and or assigns**
 THE UNDERSIGNED, North Harbor Diesel, LLC, a Washington Limited Liability Company, as Lessees, for security purposes only, does hereby assign and convey to SKAGIT STATE BANK, a Washington corporation, all of their rights and interest in and to that certain Lease Agreement dated October 24, 1994, for the real property situated in Skagit County, State of Washington, commonly known as 2919 V Place, Anacortes, Washington by North Harbor Diesel, LLC, Lessees and the City of Anacortes, as Lessors.

This Assignment of Lease is executed for collateral purposes only, to secure payment of that certain note dated May 12, 2005 in the original amount of \$763,563.26 executed by John Ripley and Constance B Ripley, husband and wife, and given to Skagit State Bank.

Dated this 12th day of May, 2005


Howard D. Bean, Member



Pamela J. Bean, Member



John I. Ripley, Member



Constance B. Ripley, Member

LESSOR'S CONSENT AND AGREEMENT

Lessor hereby consents to the above Assignment and agrees that: (i) Lessor will not terminate the Lease without first giving Assignee at least thirty (30) days notice specifying the particular default, and giving Assignee the right to cure the stated default(s) during such period, if Assignee elects to do so; (ii) Any restrictions on transfer, assignment or sublease set forth in the Lease (including those that may require the consent of Lessor) shall not be binding on Assignee, and the Assignee shall be entitled, whether it assumes the Lease or not, to cure defaults and effect any assignment or sublease to a third party, provided such third party is reasonably acceptable as to financial strength; (iii) Assignee shall have no liability under the Lease unless and until Assignee elects to enter into possession of the leased premises and assume the Lease; (iv) Lessor disclaims all right, title and interest in and to all leasehold improvements, buildings, personal property, and appurtenance that have been placed on the leased premises by Tenant under the Lease, and waives any right of landlord's distraint; and (v) Lessor hereby subordinates to Assignee any presently held or subsequently acquired lien on the personal property, furniture, supplies and equipment of Tenant.

Lessor warrants to Assignee that the Lease is in good standing and that the copy attached hereto is accurate and complete, and that there are no other agreements, arrangements or other understandings between Lessor and Tenant concerning the lease terms or the leased premises. Lessor agrees not to modify or amend the Lease with Assignor's prior written consent so long as this Assignment is in effect.

City of Anacortes

LESSOR:

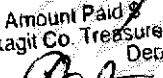
Name: H. DEAN MAXWELLTitle: MAYOR,

State of Washington)

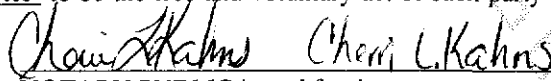
County of Skagit)

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAY 18 2005

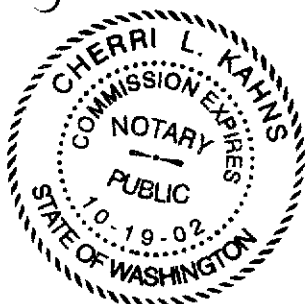
Amount Paid \$
Skagit Co. Treasurer
By  Deputy

I certify that I know or have satisfactory evidence that H. Dean Maxwell is the person who appeared before me, and said person acknowledged that he/she signed this instrument and on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Mayor of the City of Anacortes to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May 16, 2005


NOTARY PUBLIC in and for the

State of Washington,

residing in Mount VernonTerm expires: 10-19-06

That portion of the Anacortes Harbor area, as shown on Plate No. 11 of the Anacortes Tide and Shorelands Maps in Section 30, Township 35 North, Range 2 East, W.M., records of Skagit County, Washington, being more particularly described as follows:

Beginning at the intersection of "T" Avenue and 30th Street, as shown on the "ANACORTES INDUSTRIAL PARK ADDITION," as per plat recorded in Volume 10 of Plats, page 19 to 21, inclusive, records of Skagit County, Washington;
thence South 89°59'40" East, along the centerline of said 30th Street a distance of 584.25 feet;
thence South 52°24'04" East 299.52 feet;
thence South 89°59'40" East a distance of 452 feet, more or less, to the East line of 30th Street;
thence North 6°00'12" West a distance of 75 feet to the true point of beginning;
thence continue North 6°00'12" West a distance of 114 feet, more or less, to the intersection with the South line of the existing City of Anacortes concrete dock;
thence North 83°59'48" East along the South edge of said City dock a distance of 95 feet, more or less, to the Westerly line of the Federal Navigation Channel;
thence South 6°00'12" East a distance of 114 feet, more or less, to a point lying North 83°59'48" East from the true point of beginning;
thence South 83°59'48" West a distance of 95 feet, more or less, to the true point of beginning.

Situate in the City of Anacortes, County of Skagit, State of Washington.



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