

When recorded return to:

Frontier Bank  
Private Banking  
2831 Colby Avenue  
P.O. Box 1390  
Everett, WA 982065

For Recorder's Use:



200708150186  
Skagit County Auditor

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### AGREEMENT RE ASSIGNMENT OF LEASE

This Agreement dated as of August 6, 2007, between Frontier Bank, a Washington Banking Corporation ("Lender"), CJ Ebert and Tamara L. Ebert, husband and wife, ("Tenant"), and the Secretary of the Interior (on behalf of the owners of the Trust Land described below) ("Landlord"). Landlord, Tenant and Lender agree as follows:

1. Facts:

1.01. Landlord and Tenant entered into a Ground Lease Agreement dated January 1, 2006 ("Lease") recorded under Skagit County Auditor's recording no. 200708150184 demising certain real property ("Property") located in Skagit County, Washington, described as follows:

Lot 2 Division II, of Dr. Joe Waterfront Tracts, recorded plat on file with the Bureau of Indian Affairs, within Section 3, Township 33 North, Range 2 East, W.M., Skagit County, Washington, on the Swinomish Indian Reservation.

Assessor's Property Tax Parcel Account Number(s): 5102-000-02-0000; Property ID No. P106668.

1.02. There are no modifications, amendments, supplements or other changes to the Lease, oral or written.

1.03. In a separate document, Tenant is assigning all of its right, title and interest under the Lease to Lender to secure a loan to Tenant in the principal amount of \$200,000.00, which indebtedness is evidenced by that certain Note dated August 6, 2007 (such Note and all extensions, renewals, modifications and replacements of such Note are collectively referred to as the "Note.")

1.04. As security for the Note, Tenant is also executing a leasehold deed of trust on the Property dated August 6, 2007 in favor of Lender, as beneficiary ("Leasehold Deed of Trust")

2. Landlord's Consent to Assignment and Leasehold Deed of Trust:

Landlord hereby consents to Tenant's Assignment of the Tenant's interest in the Lease to Lender and the Tenant's execution and delivery of the Leasehold Deed of Trust.

3. Lender's Rights:

3.01. Lender shall be entitled to completely rely upon the truthfulness and accuracy of any allegation made by the Landlord concerning a breach or default by the Tenant in the payment, performance, or observance of any of the Tenant's obligations under the Lease, to take any action and incur any cost or expense and make any payment that the Lender deems appropriate in its sole discretion to cure such alleged breach or default.

3.02. Landlord shall accept from Lender fulfillment of any obligation to be performed by Tenant under the Lease or law.

3.03. If Lender or its successor-in-interest acquires the Tenant's entire estate in the Lease, the Lease shall continue in full force and effect as if Lender or its successor were the original tenant.

3.04. If the Tenant disaffirms or rejects the Lease in bankruptcy proceedings, at the request of Lender or its successor-in-interest, the Landlord and the Lender or its successor-in-interest shall promptly sign, acknowledge, and deliver a direct lease between the Landlord, as Landlord, and the Lender or its successor, as Tenant, containing the same terms and provisions as the Lease, with a term which will expire on the same date the term of the Lease will expire, subject to any renewal or extension rights provided for in the Lease.

3.05. Landlord shall not terminate the Lease nor dispossess the Tenant on account of any default by the Tenant, unless and until the Landlord gives Lender or its successor-in-interest written notice of the default and an opportunity to cure the default within a period of \_\_\_\_ days from the receipt of the notice. If the default is one that cannot reasonably be cured by Lender within such \_\_\_\_ days, the Landlord shall not terminate the Lease so long as Lender has undertaken a good faith effort to cure the default.

3.06. Nothing contained in this Section 3 imposes upon the Lender any obligation to cure any default on the part of the Tenant.

4. Limitation on Liability:

4.01. Neither the Lender nor its successor-in-interest shall be required to assume or have any liability for any of the obligations of the Tenant under the Lease unless the Lender or its successor-in-interest physically occupies the premises. Under no circumstances shall the Lender be required to assume or have any liability for any of the obligations of the Tenant which arise after the Lender makes a bona fide assignment of the Tenant's estate in the Lease.



5. Assignment by Lender:

If the Lender acquires the Tenant's entire estate in the Lease, the Lender shall have the right to assign and/or sell the Tenant's estate in the Lease and the Leasehold improvements to a third party.

6. Entry and Sale by Lender:

Landlord hereby authorizes Lender to enter the premises at all reasonable hours to perform the following acts with respect to the personal property and leasehold improvements subject to the Bank's security interest under the Leasehold Deed of Trust:

- (a) Inspecting the Collateral;
- (b) Assembling the Collateral;
- (c) Conducting a sale of the Tenant's estate and/or collateral; and/or
- (d) Removing the Collateral from the premises.

Landlord recognizes that any interest it possesses in the Collateral is subordinate to the Lender's security interest, provided, however, that Lender shall promptly repair any damage to the premises which results from the exercise of the rights conferred by this paragraph.

7. Lease Modifications:

The Lease shall not be surrendered, modified or amended without the prior written consent of the Lender. The Lease shall not be terminated except in accordance with Paragraph 3.05 above.

8. Waiver of Sovereign Immunity:

Landlord hereby grants a limited waiver of its sovereign Immunity with regard to any suit or proceeding commenced or instituted by Lender for the enforcement of the terms and conditions of this Agreement and agrees to submit to the jurisdiction of the Snohomish County Superior Court for the State of Washington with respect to any action relating to the construction or enforcement of this Agreement.

9. Notices:

Any notice, demand, request, approval, consent or other communication (collectively "NOTICE") concerning this Agreement and/or the Leasehold Deed of Trust or any matter arising in connection with this Agreement shall be in writing and addressed as follows:

If to Tenant to: C.J. Ebert and Tamara L. Ebert  
2911 1/2 Hewitt Ave., Suite 1  
Everett, WA 98201



If to Landlord to: Secretary of the Interior

If to Lender to: Attn: Pete Sontra  
Frontier Bank  
2831 Colby Avenue  
P.O. Box 1390  
Everett, WA 982065

with a copy to: Attn: David Riley  
Weinstein & Riley, P.S.  
2001 Western Avenue, Suite 400  
Seattle WA 98121

Any Notice shall be given by either (i) personal delivery in which event it shall be deemed given on the date of delivery, or (ii) certified mail return receipt requested in which event it shall be deemed given three business days after the date deposited in the mail, or (iii) nationally recognized overnight courier services such as Federal Express next or second business day delivery, in which event it shall be deemed given on the next or second (whichever is applicable) business day immediately following receipt by Federal Express. Any Party may change any address for the delivery of Notice to such Party, by giving Notice in accordance with the provisions of this Paragraph 9. The attorneys for the Parties may give any Notice.

10. Miscellaneous:

10.01. Except for the specific modifications in this Agreement, the provisions of the Lease remain in full force.

10.02. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their successors and assigns.

10.03. In the event an action is commenced to enforce or construe the terms of this Agreement, the prevailing party in such action shall be entitled to recover attorneys' fees and costs.

DATED this 14th day of August, 2007.

(Remainder of page intentionally left blank  
Execution signatures appear on following pages)



LANDLORD:  
SECRETARY OF THE INTERIOR

Approved pursuant to 209 DM 8, 230 dm 1,3 IAM 4, 4a

By: *Angie Rance*  
Its: *Acting Supt.*

TENANT:

By: *CJ Ebert*  
CJ Ebert

By: *Tamara Ebert*  
Tamara L. Ebert

LENDER:  
FRONTIER BANK

By: *Pete Luter*  
Its: *Vice President*

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

AUG 15 2007

Amount Paid \$0  
Skagit Co. Treasurer  
By *[Signature]* Deputy



200708150186

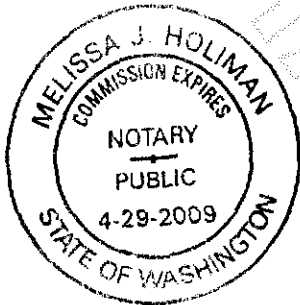
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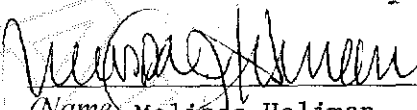
ACKNOWLEDGEMENTS

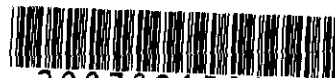
STATE OF WASHINGTON                    )  
  ) ss.  
COUNTY OF Snohomish                    )

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 14th day of August, 2007, personally appeared before me Peter Sontra, to me known to be the Vice President of **FRONTIER BANK**, the Washington banking 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/she is authorized to execute the said instrument.

GIVEN UNDER MY HAND and official seal this 13th day of August, 2007.



  
(Name Melissa Holiman)  
NOTARY PUBLIC in and for the State  
of Washington, residing at Marysville  
My commission expires: 04/29/09

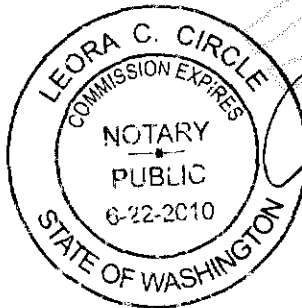


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STATE OF WASHINGTON                    )  
  ) ss.  
COUNTY OF SNOHOMISH            )

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 15th day of AUGUST, 2007, personally appeared before me GREG LAFRANCE to me known to be the Act Supt. of the **Secretary of the Interior**, the governmental entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.

GIVEN UNDER MY HAND and official seal this 15th day of AUGUST, 2007.



Leora C. Circle  
(Name LEORA C. CIRCLE)  
NOTARY PUBLIC in and for the State  
of Washington, residing at EVERETT, WA  
My commission expires: 6/22/2010



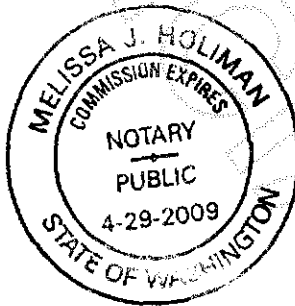
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STATE OF WASHINGTON )  
COUNTY OF Snohomish ) ss.

On this 14 day of Aug in the year 2007, personally appeared before me **CJ Ebert**, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal this 14 day of Aug, 2007.

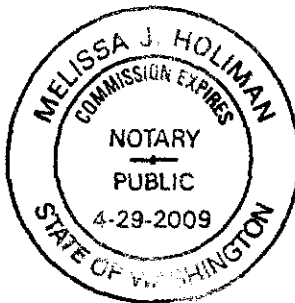


Melissa J. Holiman  
(Name Melissa J. Holiman)  
NOTARY PUBLIC in and for the State  
of Washington, residing at Harveyville  
My commission expires: 4/29/09

STATE OF WASHINGTON )  
COUNTY OF Snohomish ) ss.

On this 14 day of Aug in the year 2007, personally appeared before me **Tamara L. Ebert**, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal this 14 day of Aug, 2007.



Melissa J. Holiman  
(Name Melissa J. Holiman)  
NOTARY PUBLIC in and for the State  
of Washington, residing at Harveyville  
My commission expires: 4/29/09



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