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03/19/2025 03:43 PM Pages: 1 of 6 Fees: \$308.50
Skagit County Auditor, WA

AFTER RECORDING RETURN TO:

First-Citizens Bank & Trust Company
100 E Tryon Rd - DAC20
Raleigh, North Carolina 27603

REVIEWED BY
SKAGIT COUNTY TREASURER
DEPUTY Lena Thompson
DATE 03/19/2025

213753-LT

COLLATERAL ASSIGNMENT OF LEASE

GRANTOR: FORTRESS WEST, LLC
GRANTEE FIRST-CITIZENS BANK AND TRUST COMPANY
ABBREVIATED LEGAL DESCRIPTION: PTN NW ¼, ALL SW ¼, 33-35-3 E W.M.
Full Legal Description on Exhibit A attached hereto
ASSESSOR'S TAX PARCEL ID
NUMBER: 350333-1-007-0008/P35302 & 350333-1-007-0108/P137112
REF: 202503040060, 202503040061
202503040062, 202503040063

Loan Number: 00910012913974

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE (the "**Assignment**") is entered into this February 28, 2025 by FORTRESS WEST, LLC, a Washington limited liability company ("**Assignor**"), for the benefit of FIRST-CITIZENS BANK & TRUST COMPANY, a North Carolina banking corporation ("**Assignee**"), to secure, among other things the performance by Assignor of all Assignor's obligations to Assignee pursuant to a certain loan (the "**Loan**") made by Assignee to Assignor in the principal sum of \$5,000,000.00, which Loan is evidenced by, among other documents, a Promissory Note (the "**Note**") in the principal amount of the Loan and dated of even date herewith, executed by Assignor in favor of Assignee.

RECITALS

A. As described above, Assignee made the Loan to Assignor which is evidenced by the Note and Construction Loan Agreement dated of even date herewith (the "**Loan Agreement**"), which Loan Agreement governs certain terms and conditions of the Loan. The Note, the Loan Agreement and the other related loan and security documents entered into in connection with the Loan shall hereinafter be individually referred to as a "**Loan Document**" and collectively as the "**Loan Documents**."

B. Assignor is the present tenant in the leasehold estate comprising the real property and improvements legally described on **Exhibit A** attached hereto and incorporated herein by this reference (the "**Leased Premises**") pursuant to that certain Land Lease Agreement between PORT OF SKAGIT COUNTY and Grantor dated September 20, 2019, as amended by that certain First Amendment to Land Lease Agreement dated September 25, 2020, a Second Amendment to Lease dated January 24, 2025, and a Third Amendment to Lease dated February 24, 2025 ("**Lease**"). The Lease and the amendments thereto are recorded under Recording Numbers 202503040060, 202503040061, 202503040062, 202503040063, records of the Skagit County, Washington.

C. Pursuant to the Loan Documents and as one of the conditions of the Loan, Assignee required Assignor to assign its interest in the Lease to Assignee. Accordingly, Assignor has agreed to execute the Assignment below to satisfy such condition.

NOW, THEREFORE, based on the Recitals (which are hereby incorporated into and made part of the Assignment by this reference), and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Assignor, Assignor enters into the Assignment below.

ASSIGNMENT

1. Collateral Assignment of Lease. Assignor hereby grants, transfers and assigns (the "**Assignment**") to Assignee, and the successors and assigns of Assignee, all of the right, title, and interest of Assignor as the tenant in and to the Lease referenced above, and all modifications and amendments thereto. Assignor and Assignee intend this to be a present transfer of Assignor's rights under the Lease, subject to Assignor's right to occupy, use or sublease the Leased Premises and enjoy the benefits thereof there is no default under the Loan Documents or the Lease.

2. Cancellation of Assignment. Upon Assignor's full payment of the Loan and the performance by Assignor of all the terms and conditions of the Loan Documents, this Assignment shall become and be null and void and of no further effect.

3. Assignor's Performance Under Lease. Assignor will fulfill and perform each and every condition and covenant of the Lease to be fulfilled or performed by Assignor; give prompt notice to Assignee of any notice of default received by Assignor under the Lease; and not terminate the term of the Lease, assign the Lease nor surrender the Lease unless required to do so by the terms of the Lease.

4. Assignor to Remain Bound by Lease. Neither (a) the acceptance of this Assignment by Assignee, nor (b) any performance by Assignor under the Lease shall affect the liability of Assignor under the Lease, and Assignor shall remain fully bound by the Lease.

5. Representations and Warranties. Assignor represents, warrants and covenants to Assignee that (a) Assignor has not assigned or encumbered its interest in the Lease or the leasehold estate created thereby and will not assign or encumber any such right, title and interest to anyone other than Assignee, so long as this Assignment remains in effect; (b) Assignor shall not agree to any modification or amendment of the Lease, or permit any material change thereto or settle or compromise any claim arising by or resulting from the Lease without Assignee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; (c) Assignor's interest in the Lease is free of any claims, liens or encumbrances; (d) all obligations of Assignor under the Lease have been or shall be performed by Assignor in the manner and at the time specified therein; (e) the Lease is in full force and effect and is enforceable in accordance with its terms; (f) Assignor is not in default with respect to the Lease, including any event which, with the passage of time or the giving of notice, would become an event of default; and (g) Assignor is permitted to assign its interest in the Lease and the Leased Property by virtue of Landlord's consent below.

6. Litigation. At Assignor's sole cost and expense, Assignor will appear in and defend any action growing out of or in any manner connected with the Lease or the obligations or liabilities of Assignor thereunder.

7. Default. After a default by Assignor in the payment of the Loan or of any of Assignor's obligations under the Loan Documents, and the failure of Assignor to cure such default within the time period provided in any Loan Document, then Assignee, at its option and without regard to the adequacy of security for the indebtedness evidenced by the Note, may in its sole discretion, exercise any one or more of the following rights (a) take possession of the Leased Premises subject to the terms of the Lease; (b) foreclose Assignor's interest in the Lease and the leasehold estate created thereby as permitted by law; (c) assume, assign, sell, convey and/or sublet Assignor's interest in the Lease and/or the leasehold estate created thereby, subject to the terms and conditions of the Lease; and (d) exercise any other right or remedy under this Assignment or to which Assignee may be entitled under applicable law.

8. Obligations Under Lease. Assignee shall not be obligated to perform or discharge any obligation under the Lease by reason of this Assignment, and Assignor hereby agrees to indemnify Assignee against and hold it harmless from any and all liability, loss, or damage which it may or might incur under the Lease or under or by reason of this Assignment. Assignor agrees that neither the Assignment nor Assignee's cure and assumption of Assignor's obligations under the Lease shall waive any claims by Assignee against Assignor. All sums advanced by Assignee to cure defaults by Assignor under the Lease shall constitute additional advances under the Loan and shall be secured and guaranteed pursuant to the Loan Documents.

9. Amendment and/or Modification. Neither this Assignment nor any term or provision hereof, may be changed, waived, discharged, amended, or modified orally, or in any manner other than by an instrument in writing signed by Assignee.

10. Binding Effect. Subject to provisions hereof regarding the assignment of this Assignment, if any, this Assignment shall be binding upon and inure to the benefit of the respective parties, and their legal representatives, successors, assigns and heirs.

11. Documents. Assignor shall perform any and all acts and execute and deliver any and all documents as may be necessary and proper under the circumstances in order to accomplish the intent and purpose of this Assignment and to carry out its provisions.

12. Waiver of Breach. The failure of Assignee to insist upon strict performance of any of the covenants and agreements of Assignor herein contained, or to exercise any option or right herein conferred in

favor of Assignee, in any one or more instances, shall not be construed to be a waiver or relinquishment of performance of any covenant or agreement, or of any such option or right, but the same shall be and remain in full force and effect.

13. Attorney's Fees. If Assignee brings an action to enforce the provisions of this Assignment, or otherwise hires an attorney to enforce the provisions of this Assignment, with or without suit, Assignor shall pay Assignee all attorney's fees and costs incurred by Assignee at the trial and appellate levels and in any bankruptcy or insolvency proceeding.

14. Law. This Assignment shall be governed by, construed, and enforced in accordance with the internal laws of the State of Idaho, without giving effect to principles and provisions thereof relating to conflict or choice of laws. Venue for any action under this Assignment shall lie in Skagit County, Washington.

[Signature on next page.]

DATED as of the day and year first above written.

ASSIGNOR:

FORTRESS WEST, LLC, a Washington limited liability company

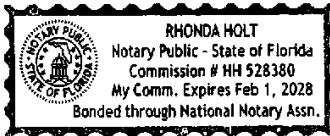
By: 

Name: Thomas D. Prenzlow
Title: Manager

STATE OF Florida)
~~WASHINGTON~~)
COUNTY OF Collier) ss.

I certify that I know or have satisfactory evidence that Thomas Prenzlow is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as a Manager of FORTRESS WEST, LLC, a Washington limited liability company, to be the free and voluntary act of such company for the uses and purposes mentioned in the instrument.

Dated: 3/14, 2025.





Signature
Print Name: Rhonda Holt
Notary Public in and for the State of: Florida
Residing at: 3055 Tamiami Tr. N. Naples FL 34103
My Commission Expires: 2/1/28

EXHIBIT A**Legal Description**

A portion of the Southwest ¼ of Section 33, Township 35 North, Range 3 East, Willamette Meridian, more particularly described as follows:

Commencing at the Southwest corner of said Section 33, as marked by a 5/8" rebar with plastic cap stamped "Judy 7593" at the intersection of Bay View Road and Farm to Market Road;

Thence South 88°37'13" East along the South line of said Section 33, 384.80 feet;

Thence North 00°00'00" East, 12.47 feet to the North edge of asphalt paving of Bay View Road and the True Point of Beginning of the lease parcel described herein;

Thence continuing North 00°00'00" East, 1,701.08 feet;

Thence North 90°00'00" East, 1,326.00 feet;

Thence South 00°00'00" East, 1,734.20 feet to a point on the North edge of asphalt paving of said Bay View Road from which the South ¼ corner of said Section 33, as marked by a 5/8" rebar with plastic cap stamped "Judy 7593", bears South 87°53'40" East 890.15 feet;

Thence traveling coincident with said North edge of asphalt as constructed at the time of this description the following nominal courses and distances;

Thence North 88°24'02" West, 333.32 feet;

Thence North 88°30'24" West, 164.65 feet;

Thence North 88°51'40" West, 164.72 feet;

Thence North 88°38'18" West, 332.57 feet;

Thence North 88°33'16" West, 331.15 feet to the true point of beginning and the terminus of the lease parcel description contained herein.

Situate in the County of Skagit, State of Washington.

EXHIBIT A

14705-435/EWM/1214807