

WHEN RECORDED RETURN TO:

Errol Hanson Funding, Inc.
PO Box 508
Sedro-Woolley, WA 98284



200303240302

Skagit County Auditor

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Grantor. Imes, Kurt
Grantee. Errol Hanson Funding, Inc.
Abbrev. Leg. A ptn Lot 3, state Street add aka lot 2 S/P SW 2-00
Lot C of SW SP 06-00. Ptn Lot 16, Rosedale garden Tracts
Tax Account No. 4173-000-003-0200, 4169-001-016-0009

Assignment of Rents

On this date, March 24 2003, Kurt Imes and Dawn R. Imes has executed a promissory note in favor of Errol Hanson Funding, Inc., in the principal amount of Thirty Four Thousand Dollars (\$34,000.00).

That note and all future advances made under it are secured by a Deed of Trust of even date that encumbers the property described as:

SEE EXHABIT "A"

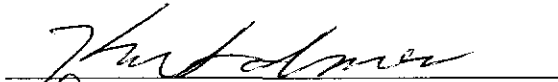
For value received and as additional security for the note, this Assignment of Rents is made this by the ASSIGNOR, Kurt Imes and Dawn R Imes hereafter called "Borrowers,"
to the ASSIGNEE, Errol Hanson Funding, Inc., hereafter called "Lender."


The Borrower hereby sells, transfers, and assigns to Lender all right, title and interest of the Borrower in the rents arising from the real property commonly known as 401 Cabe Lane, Sedro-Woolley, Washington, 1215 E State Street Sedro-Woolley Washington, and more fully described in the legal description set forth above. The term of this assignment shall be until the above referenced note is fully paid and satisfied. A release of the above referenced Deed of Trust shall constitute a release of this assignment.

Conditions of Assignment

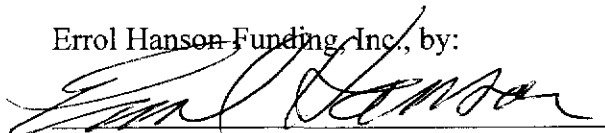
1. Lender is authorized to collect all rents, PROVIDED HOWEVER, that Lender may not collect rents until or unless Borrower is in default on its obligations under the above referenced note or deed of trust.

2. In the event the Borrower defaults on its obligations under the note and/or deed of trust, Lender may demand that the tenants pay all rents to the Lender.
3. Upon demand, the tenants shall pay the rents to the Lender without further inquiry. To that end, the Borrower shall execute concurrently with this assignment, a "Notice to Tenants" advising the tenants of the terms of this assignment. Lender shall not deliver the Notice to Tenants to the tenants unless and until the Borrower defaults on its obligations under the note and/or deed of trust.
4. During the term of this assignment, the Borrower shall not collect any rent in advance of the date due under the relevant lease.
5. The Borrower agrees that during the term of this assignment, the Borrower will make no future assignment or pledge of the rents from the described premises, nor perform any act that may prevent the Lender from exercising its rights under this assignment.
6. The Borrower agrees to perform all of its obligations under lease agreements with tenants in the described premises, to maintain all leases in full force and effect, to enforce the leases according to their terms, and not terminate or modify any lease without written consent from the Lender.
7. The Borrower agrees that nothing in this assignment shall obligate the Lender to pay any interest on tenant security deposits, make the Lender liable for the refund of security deposits, make the Lender a mortgagee in possession, make the Lender responsible for collecting rents or liable for failure to do so, make the Lender liable to account for any rents not actually collected, make the Lender responsible for any of the Borrower's obligations under its lease agreements with tenants, release the Borrower from any of its obligations under lease agreements, or constitute a waiver of any of the Lender's rights under the note and deed of trust.


Kurt Imes


Dawn R. Imes

Errol Hanson Funding, Inc., by:


Errol Hanson, President



**STATE OF WASHINGTON
COUNTY OF SKAGIT**

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

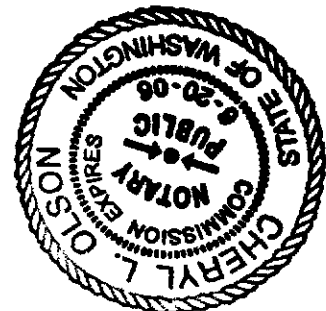
DATED: March 24, 2003

Cheryl L. Olson
Notary Public

Typed/printed notary name: Cheryl L. Olson

Residing at: Sedro Woolley

My appointment expires: 6/20/06



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EXHABIT "A"

LOT 2 OF SEDRO-WOOLLEY SHORT PLAT NO. 02-00, RECORDED APRIL 14, 2000, AS AUDITOR'S FILE NO. 200004140070, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF LOT 3 OF "STATE STREET ADDITION TO SEDRO, SKAGIT CO., WASH.". AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 61, RECORDS OF SKAGIT COUNTY, WASHINGTON. SITUATE IN THE CITY OF SEDRO-WOOLLEY, COUNTY OF SKAGIT, STATE OF WASHINGTON.

LOT C OF SEDRO WOOLLEY SHORT PLAT NO. SW-06-00, APPROVED MARCH 21, 2001, RECORDED MARCH 21, 2001, UNDER AUDITOR'S FILE NO. 200103210062, BEING PORTION OF LOT 16, BLOCK 1, "ROSEDALE GARDEN TRACTS OF SEDRO-WOOLLEY" AS PER PLAT RECORDED IN VOLUME 3 OF PLATS, PAGE 52, RECORDS OF SKAGIT COUNTY, WASHINGTON; TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS, AND UTILITIES OVER, UNDER AND THROUGH CABE LANE, AS SHOWN ON FACE OF THE SHORT PLAT. SITUATE IN THE CITY OF SEDRO WOOLLEY, COUNTY (SKAGIT, STATE OF WASHINGTON.



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