

**RETURN ADDRESS:**

Frontier Bank  
Mount Vernon  
119 E College Way  
PO Box 1124  
Mount Vernon, WA 98273



200606280016  
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

**ASSIGNMENT OF RENTS**

Reference # (if applicable): MTVE-XX2504 / ORDER NO. 1211009-PE Additional on page \_\_\_\_  
Grantor(s):

1. WESEN, LYLE
2. WESEN, MERRI LOU
3. WESEN, RICHARD
4. WESEN, SHAUN M.

Grantee(s)

1. Frontier Bank

Legal Description: PTN SE 1/4 OF NE 1/4, 10-35-3 E W.M.; & PTN 11-35-3 E W.M. & PTN N 1/2 OF SE 1/4, 28-36-3 E W.M.

Additional on page 2

Assessor's Tax Parcel ID#: 350311-1-004-0100 (P110373); 350311-2-015-0100 (P111090);  
350311-4-005-0108 (P34058); 350311-0-006-0007 (P34059); 350311-2-008-0001 (P34095);  
350311-2-009-0000 (P34096); 350311-3-002-0005 (P34099); 350311-3-003-0004 (P34100);  
350310-1-008-0004 (P34013); 360328-4-001-0004 (P48461); 360328-4-001-0103 (P107927);  
350311-0-008-0005 (P34061); 350311-3-001-0006 (P34098); 350311-3-008-0108 (P34106);  
350311-4-006-0009 (P34113); 350311-2-010-0007 (P34097)

**THIS ASSIGNMENT OF RENTS dated June 26, 2006, is made and executed between LYLE WESEN, a.k.a. LYLE R. WESEN and MERRI LOU WESEN, husband and wife, whose address is 7280 WORLINE ROAD, BOW, WA 98232 (referred to below as "Grantor") and Frontier Bank, whose mailing address is 119 E College Way, PO Box 1124, Mount Vernon, WA 98273 (referred to below as "Lender").**

**ASSIGNMENT OF RENTS  
(Continued)**

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**ASSIGNMENT.** For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Skagit County, State of Washington:

See EXHIBIT A, which is attached to this Assignment and made a part of this Assignment as if fully set forth herein.

The Property or its address is commonly known as 7240, 7280 & 7410 WORLINE ROAD; 4614 CHUCKANUT DRIVE; 7769, 7849 & 7853 CHUCKANUT DRIVE, BOW, WA 98232. The Property tax identification number is 350311-1-004-0100 (P110373); 350311-2-015-0100 (P111090); 350311-4-005-0108 (P34058); 350311-0-006-0007 (P34059); 350311-2-008-0001 (P34095); 350311-2-009-0000 (P34096); 350311-3-002-0005 (P34099); 350311-3-003-0004 (P34100); 350310-1-008-0004 (P34013); 360328-4-001-0004 (P48461); 360328-4-001-0103 (P107927); 350311-0-008-0005 (P34061); 350311-3-001-0006 (P34098); 350311-3-008-0108 (P34106); 350311-4-006-0009 (P34113); 350311-2-010-0007 (P34097).

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

**GRANTOR'S WAIVERS.** Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

**BORROWER'S WAIVERS AND RESPONSIBILITIES.** Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES.** Grantor warrants that:

**Ownership.** Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

**Right to Assign.** Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

**No Prior Assignment.** Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

**No Further Transfer.** Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

**LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS.** Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

**Notice to Tenants.** Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

**Enter the Property.** Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

**Maintain the Property.** Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

**Compliance with Laws.** Lender may do any and all things to execute and comply with the laws of the State of Washington and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

**Lease the Property.** Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

**Employ Agents.** Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

**Other Acts.** Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

**No Requirement to Act.** Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

**APPLICATION OF RENTS.** All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the



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## ASSIGNMENT OF RENTS (Continued)

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application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

**FULL PERFORMANCE.** If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

**Payment Default.** Borrower fails to make any payment when due under the Indebtedness.

**Other Defaults.** Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

**Default on Other Payments.** Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**Default in Favor of Third Parties.** Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to perform Grantor's obligations under this Assignment or any of the Related Documents.

**Environmental Default.** Failure of any party to comply with or perform when due any term, obligation, covenant or condition contained in any environmental agreement executed in connection with the Property.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Death or Insolvency.** The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Rents or any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Property Damage or Loss.** The Property is lost, stolen, substantially damaged, sold, or borrowed against.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Cure Provisions.** If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**Accelerate Indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

**Collect Rents.** Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably



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## ASSIGNMENT OF RENTS (Continued)

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designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding or pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Other Remedies.** Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Assignment:

**Amendments.** This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Caption Headings.** Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

**Governing Law.** This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of Washington.

**Choice of Venue.** If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Skagit County, State of Washington.

**Joint and Several Liability.** All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Assignment.

**Merger.** There shall be no merger of the interest or estate created by this assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Interpretation.** (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**Powers of Attorney.** The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any



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**ASSIGNMENT OF RENTS  
(Continued)**

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provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

**Successors and Assigns.** Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Assignment.

**WAIVER OF HOMESTEAD EXEMPTION.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Washington as to all indebtedness secured by this Assignment.

**WAIVER OF RIGHT OF REDEMPTION.** NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Assignment.** The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

**Borrower.** The word "Borrower" means WESEN FARMS, INC.; LYLE WESEN ; MERRI LOU WESEN; DEAN M. WESEN; DANIELLE M. WESEN; MARK L. WESEN; BARBARA A. WESEN; RONALD G. WESEN; JANICE M. MUTHER-WESEN; RICHARD WESEN; and SHAUN M. WESEN.

**Default.** The word "Default" means the Default set forth in this Assignment in the section titled "Default".

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

**Grantor.** The word "Grantor" means LYLE WESEN , MERRI LOU WESEN, RICHARD WESEN and SHAUN M. WESEN.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment.

**Lender.** The word "Lender" means Frontier Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated June 26, 2006, in the original principal amount of **\$852,000.00** from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

**Property.** The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

**THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT. THIS DOCUMENT IS EXECUTED ON JUNE 28, 2006.**

**GRANTOR:**

x *Lyle Wesen*  
LYLE WESEN

x *Merri Lou Wesen*  
MERRI LOU WESEN

x *Richard Wesen*  
RICHARD WESEN

x *Shaun M Wesen*  
SHAUN M. WESEN



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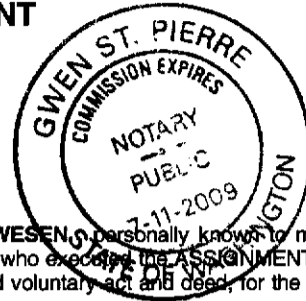
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ASSIGNMENT OF RENTS  
(Continued)

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )



On this day before me, the undersigned Notary Public, personally appeared LYLE WESEN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the ASSIGNMENT OF RENTS, and acknowledged that he or she signed the Assignment as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

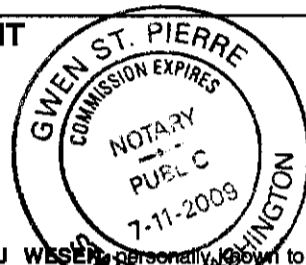
Given under my hand and official seal this 26th day of June, 20 06

By Gwen St. Pierre  
Notary Public In and for the State of Washington

Residing at Marysville  
My commission expires 07-11-09

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )



On this day before me, the undersigned Notary Public, personally appeared MERRI LOU WESEN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the ASSIGNMENT OF RENTS, and acknowledged that he or she signed the Assignment as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

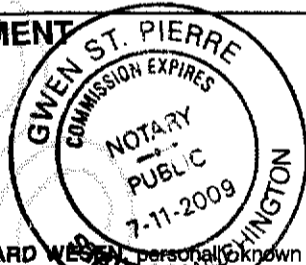
Given under my hand and official seal this 26th day of June, 20 06

By Gwen St. Pierre  
Notary Public In and for the State of Washington

Residing at Marysville  
My commission expires 07-11-09

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )

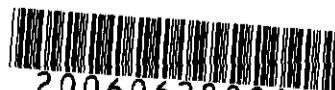


On this day before me, the undersigned Notary Public, personally appeared RICHARD WESEN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the ASSIGNMENT OF RENTS, and acknowledged that he or she signed the Assignment as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26th day of June, 20 06

By Gwen St. Pierre  
Notary Public in and for the State of Washington

Residing at Marysville  
My commission expires 07-11-09



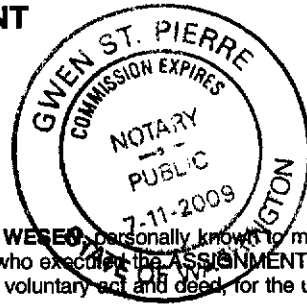
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ASSIGNMENT OF RENTS  
(Continued)

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )



On this day before me, the undersigned Notary Public, personally appeared **SHAUN M. WESE**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the ASSIGNMENT OF RENTS, and acknowledged that he or she signed the Assignment as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26th day of June, 2006

By Gwen St. Pierre  
Notary Public in and for the State of Washington

Residing at Marysville  
My commission expires 07-11-09



200606280016  
Skagit County Auditor

## DESCRIPTION:

PARCEL "A":

That portion of the Southwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  and of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., lying Westerly of the right of way of Puget Sound Power & Light Company.

ALSO, the South  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., EXCEPT that portion thereof lying Westerly of the Pacific Highway, AND EXCEPT road and ditch rights of way, AND EXCEPT that portion described as follows:

Beginning at the intersection of the North line of the South  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Section 11 with the Westerly line of the Worline County road, said point lying South  $89^{\circ}50'52''$  West a distance of 363.33 feet from the Northeast corner of the South  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of said Section 11;  
thence South  $89^{\circ}50'52''$  West, along the North line of the said South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ , a distance of 304.11 feet;  
thence South  $43^{\circ}43'59''$  East a distance of 399.32 feet;  
thence South  $78^{\circ}39'01''$  East a distance of 60.88 feet;  
thence North  $75^{\circ}39'09''$  East a distance of 117.00 feet to the Westerly right of way margin of the Worline County road, being a point on curve having a radius point bearing North  $54^{\circ}11'28''$  East at a distance of 1,122.36 feet;  
thence Northwesterly along the said Westerly right of way margin an arc distance of 271.49 feet through a central angle of  $13^{\circ}51'33''$ ;  
thence continuing along said Westerly right of way margin North  $21^{\circ}56'59''$  West, a distance of 37.94 feet to the point of beginning.

ALSO, that portion of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., lying Northeasterly of the Northeasterly margin of the Pacific Highway, EXCEPT that portion thereof lying Southeasterly of the following described line:

Beginning at the intersection of the Northeasterly margin of the Pacific Highway (also known as Chuckanut Drive) and the East line of said subdivision;  
thence North  $33^{\circ}02'06''$  West along said Northeasterly margin, 414.34 feet to the true point of beginning of said line;  
thence at right angles North  $56^{\circ}57'54''$  East 209.29 feet, more or less, to the East line of said Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , and the terminal point of said line.

ALSO, that portion of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 10, Township 35 North, Range 3 East, W.M., lying Northeasterly of the Pacific Highway.

Situate in the County of Skagit, State of Washington.



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## DESCRIPTION CONTINUED:

PARCEL "B":

A tract of land in the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the intersection of the West line of said subdivision and the Southwesterly right of way line of the Worline County Road;  
thence South along the West line of said subdivision, 252.65 feet;  
thence East at right angles to the West line of said subdivision, 212.75 feet to the Southwesterly right of way line of said County road;  
thence North  $40^{\circ}06'$  West along the said road right of way line. 330.29 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

A portion of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  and the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at a point on the South line of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , 1,876.2 feet West of the Southeast corner of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;  
thence North 747.5 feet to the County Road;  
thence Northwesterly following the South line of said County Road to the North and South centerline of said Section 11;  
thence South 2,173.7 feet, more or less, to the Southwest corner of said Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;  
thence East to the point of beginning,

EXCEPT a tract of land in the Southwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of said Section 11, described as follows:

Beginning at the intersection of the West line of said subdivision and the Southwesterly right of way line of the Worline County Road;  
thence South  $01^{\circ}18'03''$  West along said West line, a distance of 252.65 feet;  
thence South  $88^{\circ}41'57''$  East at right angles to said West line, a distance of 212.96 feet to the Southwesterly right of way line of said County Road;  
thence North  $38^{\circ}49'34''$  West along the said road right of way line 330.43 feet to the point of beginning,

ALSO EXCEPT a tract of land in the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of said Section 11, described as follows:



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## DESCRIPTION CONTINUED:

PARCEL "C" continued:

Beginning at the Northwest corner of said subdivision;  
thence South 89°21'23" East along the North line thereof, a distance of 336.06 feet to the Westerly right of way line of the Worline County Road;  
thence South 03°07'40" East along said right of way line, a distance of 9.08 feet to the point of beginning of this description;  
thence South 86°52'20" West at right angles to said right of way line, a distance of 148.93 feet;  
thence South 06°44'06" West, a distance of 245.20 feet to Point "A";  
thence South 85°46'57" East, a distance of 200.10 feet to the Westerly right of way line of said County Road;  
thence Northwesterly along said right of way line to the point of beginning.

RESERVING an easement for building set back purposes described as follows:

Beginning at the above described Point "A";  
thence North 83°15'54" West, a distance of 20.00 feet;  
thence North 06°44'06" East, a distance of 72.71 feet;  
thence South 83°15'54" East, a distance of 20.00 feet;  
thence South 06°44'06" West, a distance of 72.71 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

A portion of the Southwest ¼ of the Northeast ¼ of Section 11, Township 35 North, Range 3 East, W.M., lying North and East of the County Road, described as follows:

Beginning at the Northwest corner of said Southwest ¼ of the Northeast ¼;  
thence South 01°18'03" West along the West line thereof, a distance of 315.93 feet to the point of beginning of this description;  
thence South 87°14'39" East, a distance of 486.90 feet;  
thence South 13°30'55" East, a distance of 39.14 feet;  
thence South 00°41'12" West, a distance of 677.87 feet;  
thence South 86°47'13" East, a distance of 220.08 feet;  
thence South 00°30'23" West, a distance of 275.13 feet;  
thence North 87°04'47" West, a distance of 205.89 feet to Point "B";  
thence continuing North 87°04'47" West, a distance of 127.03 feet to the Easterly right of way line of Worline County Road;  
thence Northwesterly along said County Road to the North and South centerline of said Section 11;  
thence North 01°18'03" East along said North and South centerline, a distance of 126.42 feet to the point of beginning.



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## DESCRIPTION CONTINUED:

PARCEL "D":

RESERVING a thirty (30) foot wide easement for ingress, egress, and utilities, over, under and through the above described Parcel "B" which lies adjacent to and contiguous with the North and South centerline of said Section 11.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

An easement for ingress, egress and utilities, over, under, and through a 30 foot wide strip of land the centerline of which is described as follows:

Beginning at Point "B" described in Parcel "D" above;  
thence South 00°41'12" West, a distance of 184.17 feet;  
thence South 49°10'51" East, a distance of 148.04 feet;  
thence South 40°49'09" East, a distance of 162.39 feet to the Northeasterly right of way line of Worline County Road and terminal point of this centerline description.

Situate in the County of Skagit, State of Washington.

PARCEL "F":

An easement for building set back purposes described as follows:

Beginning at Point "A" described in Parcel "C" above;  
thence North 06°44'06" East, a distance of 72.71 feet to the point of beginning of this description;  
thence South 83°15'54" East, a distance of 20.00 feet;  
thence North 06°44'06" East, a distance of 54.21 feet;  
thence North 83°15'54" West, a distance of 20.00 feet;  
thence South 06°44'06" West, a distance of 54.21 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "G":

An easement for an effluent discharge line across sellers' property as the same was located on November 1, 1996, from Parcel "F" to a manure lagoon located in Parcel "G".

Situate in the County of Skagit, State of Washington.



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## DESCRIPTION CONTINUED:

PARCEL "H":

The East 300 feet of Government Lot 3 and the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , all in Section 28, Township 36 North, Range 3 East, W.M., EXCEPT that portion of the South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  and the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  conveyed to Bellingham and Skagit Railway Company by deed recorded December 8, 1911, in Volume 87 of Deeds, page 482, records of Skagit County, Washington.

EXCEPT from the above, all road, ditch and dike rights of way and those portions conveyed to Drainage District No. 18 by Deed recorded September 24, 1936 in Volume 170 of Deeds, page 278 and by Deeds recorded April 17, 1946, under Auditor's File Nos. 390770 and 390771, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "I":

That portion of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at a point 118.3 feet Northerly from the center of the Southwest  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., on the North and South centerline of said quarter section;  
thence 142.7 feet in a Northwesterly direction along the East right of way line of the Pacific Highway;  
thence 98.8 feet at right angles in an Easterly direction;  
thence 173.5 feet in a Southerly direction on the North and South centerline of said quarter section to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "J":

That portion of the East  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., lying Northeasterly of the State Highway SR 11, commonly known as Chuckanut Drive, EXCEPT County road along the South line thereof, AND EXCEPT the right of way for Drainage District No. 16.

Situate in the County of Skagit, State of Washington.

PARCEL "K":

The North  $\frac{1}{2}$  of the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 11, Township 35 North, Range 3 East, W.M., EXCEPT road right-of-way.

Situate in the County of Skagit, State of Washington.



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