



200706260082
Skagit County Auditor

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Record and Return to:
Cassin Cassin & Joseph LLP
711 Third Avenue, 20th Floor
New York, New York 10017
Attention: Michael J. Hurley, Jr., Esq.

ASSIGNMENT OF LEASES AND RENTS

BURLINGTON RETAIL, LLC, a
Washington limited liability company,
AS BORROWER

IN FAVOR OF

FIRST AMERICAN TITLE CO.

CIBC INC.,
AS LENDER

90816-2

Property Location:	Sportsman's Warehouse 2000 South Burlington Boulevard Burlington, Washington 98233
Abbreviated Legal Description:	Lot 1, "Sportsmans Plaza Binding Site Plan"
Tax Parcel Identification No.:	8063-000-001-0000 (P123949)
County:	Skagit
State:	Washington

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") made as of the 25 day of June, 2007, is by **BURLINGTON RETAIL, LLC**, a Washington limited liability company ("Borrower"), whose address is 8129 Lake Ballinger Way, Suite 104, Edmonds, Washington 98026, as assignor, in favor of **CIBC INC.**, a Delaware corporation ("Lender"), whose address is 300 Madison Avenue, 8th Floor, Attn: Real Estate Finance Group, New York, New York 10017, as assignee.

WITNESSETH:

THAT, WHEREAS, Borrower has executed that certain Promissory Note dated of even date herewith (as hereafter amended, consolidated or modified from time to time, the "Note"), payable to the order of Lender in the stated principal amount of **SEVEN MILLION NINE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$7,940,000.00)**; and

WHEREAS, the Note is secured by that certain Deed of Trust, Assignment of Leases and Rents and Security Agreement dated of even date herewith (as hereafter amended, consolidated or modified from time to time, the "Security Instrument"), from Borrower, as Grantor, for the benefit of Lender, as Grantee, encumbering that certain real property situated in the City of Burlington, County of Skagit, State of Washington, as is more particularly described on Exhibit A attached hereto and incorporated herein by this reference and all buildings and other improvements now or hereafter located thereon (collectively, the "Improvements") (said real property and the Improvements are hereinafter sometimes collectively referred to as the "Property"); and

WHEREAS, Borrower is desirous of further securing to Lender the performance of the terms, covenants and agreements hereof and of the Note, the Security Instrument and each other document evidencing, securing, guaranteeing or otherwise relating to the indebtedness evidenced by the Note (the Note, the Security Instrument and such other documents, as each of the foregoing may from time to time be amended, consolidated, renewed or replaced, being collectively referred to herein as the "Loan Documents");

NOW, THEREFORE, in consideration of the making of the loan evidenced by the Note by Lender to Borrower and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower does hereby irrevocably, absolutely and unconditionally transfer, sell, assign, pledge and convey to Lender, its successors and assigns, all of the right, title and interest of Borrower in and to:

(a) any and all leases, licenses, rental agreements and occupancy agreements of whatever form now or hereafter affecting all or any part of the Property and any and all guarantees, extensions, renewals, replacements and modifications thereof (collectively, the "Leases"); and

(b) all deposits (whether for security or otherwise), rents, issues, profits, revenues, royalties, accounts, rights, benefits and income of every nature of and from the Property, including, without limitation, minimum rents, additional rents, termination payments, forfeited security deposits, liquidated damages following default and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability due to destruction or damage to the Property, together with the immediate and continuing right to collect and receive the same, whether now due or hereafter becoming due, and together with all rights and claims of any kind that Borrower may have against any tenant, lessee or licensee under the Leases or against any other occupant of the Property (collectively, the "Rents").

TO HAVE AND TO HOLD the same unto Lender, its successors and assigns.



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IT IS AGREED that, notwithstanding that this instrument is a present, absolute and executed assignment of the Rents and of the Leases and a present, absolute and executed grant of the powers herein granted to Lender, Borrower is hereby permitted, at the sufferance of Lender and at its discretion, and is hereby granted a license by Lender, to retain possession of the Leases and to collect and retain the Rents unless and until there shall be an "Event of Default" (as defined herein) under the terms of this Assignment or any of the other Loan Documents. Upon an Event of Default, the aforementioned license granted to Borrower shall automatically terminate without notice to Borrower, and Lender may thereafter, without taking possession of the Property, take possession of the Leases and collect the Rents. Further, from and after such termination, Borrower shall be the agent of Lender in collection of the Rents, and any Rents so collected by Borrower shall be held in trust by Borrower for the sole and exclusive benefit of Lender and Borrower shall, within one (1) business day after receipt of any Rents, pay the same to Lender to be applied by Lender as hereinafter set forth. Furthermore, from and after such Event of Default and termination of the aforementioned license, Lender shall have the right and authority, without any notice whatsoever to Borrower and without regard to the adequacy of the security therefor, to: (a) make application to a court of competent jurisdiction for appointment of a receiver for all or any part of the Property, as particularly set forth in the Security Instrument; (b) manage and operate the Property, with full power to employ agents to manage the same; (c) demand, collect, receive and sue for the Rents, including those past due and unpaid; and (d) do all acts relating to such management of the Property, including, but not limited to, negotiation of new Leases, making adjustments of existing Leases, contracting and paying for repairs and replacements to the Improvements and to the fixtures, equipment and personal property located in the Improvements or used in any way in the operation, use and occupancy of the Property as in the sole subjective judgment and discretion of Lender may be necessary to maintain the same in a tenantable condition, purchasing and paying for such additional furniture and equipment as in the sole subjective judgment of Lender may be necessary to maintain a proper rental income from the Property, employing necessary managers and other employees, purchasing fuel, providing utilities and paying for all other expenses incurred in the operation of the Property, maintaining adequate insurance coverage over hazards customarily insured against and paying the premiums therefor. Lender shall apply the Rents received by Borrower from the Property, after deducting the costs of collection thereof, including, without limitation, attorneys' fees and a management fee for any management agent so employed, against amounts expended for repairs, upkeep, maintenance, service, fuel, utilities, taxes, assessments, insurance premiums and such other expenses as Lender incurs in connection with the operation of the Property and against interest, principal, required escrow deposits and other sums which have or which may become due, from time to time, under the terms of the Loan Documents, in such order or priority as to any of the items so mentioned as Lender, in its sole subjective discretion, may determine. The exercise by Lender of the rights granted Lender in this paragraph, and the collection of, the Rents and the application thereof as herein provided, shall not be considered a waiver by Lender of any Event of Default under the Loan Documents or prevent foreclosure of any liens on the Property nor shall such exercise make Lender liable under any of the Leases, Lender hereby expressly reserving all of its rights and privileges under the Security Instrument and the other Loan Documents as fully as though this Assignment had not been entered into.

Without limiting the rights granted hereinabove, in the event Borrower shall fail to make any payment or to perform any act required under the terms hereof and such failure shall not be cured within any applicable grace or cure period, then Lender may, but shall not be obligated to, without prior notice to or demand on Borrower, and without releasing Borrower from any obligation hereof, make or perform the same in such manner and to such extent as Lender may deem necessary to protect the security hereof, including specifically, without limitation, appearing in and defending any action or proceeding purporting to affect the security hereof or the rights or powers of Lender, performing or discharging any obligation, covenant or agreement of Borrower under any of the Leases, and, in exercising any of such powers, paying all necessary costs and expenses, employing counsel and incurring and paying attorneys' fees. Any sum advanced or paid by Lender for any such purpose, including, without limitation, attorneys' fees



together with interest thereon at the Default Interest Rate (as defined in the Note) from the date paid or advanced by Lender until repaid by Borrower, shall immediately be due and payable to Lender by Borrower on demand and shall be secured by the Security Instrument and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

IT IS FURTHER AGREED that this Assignment is made upon the following terms, covenants and conditions:

1. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Property upon Lender, nor for the performance of any of the terms and conditions of any of the Leases, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other party or for any dangerous or defective condition of the Property or for any negligence in the management, upkeep, repair or control of the Property. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Property or from any other act or omission of Lender in managing the Property. Borrower shall and does hereby indemnify and hold Lender harmless from and against any and all liability, loss, claim, demand or damage which may or might be incurred by reason of this Assignment, including, without limitation, claims or demands for security deposits from tenants of space in the Improvements deposited with Borrower, and from and against any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Leases. Should Lender incur any liability by reason of this Assignment or in defense of any claim or demand for loss or damage as provided above, the amount thereof, including, without limitation, costs, expenses and attorneys' fees, together with interest thereof at the Default Interest Rate from the date paid or incurred by Lender until repaid by Borrower, shall be immediately due and payable to Lender by Borrower upon demand and shall be secured by the Security Instrument and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

2. This Assignment shall not be construed as making Lender a mortgagee in possession.

3. Lender is obligated to account to Borrower only for such Rents as are actually collected or received by Lender.

4. Borrower hereby further presently and absolutely assigns to Lender subject to the terms and provisions of this Assignment: (a) any award or other payment which Borrower may hereafter become entitled to receive with respect to any of the Leases as a result of or pursuant to any bankruptcy, insolvency or reorganization or similar proceedings involving the tenants under such Leases; and (b) any and all payments made by or on behalf of any tenant of any part of the Property in lieu of Rent. Borrower hereby irrevocably appoints Lender as its attorney-in-fact to, from and after the occurrence of an Event of Default by Borrower hereunder or under any of the other Loan Documents which has not been cured within any applicable grace or cure period, appear in any such proceeding and to collect any such award or payment, which power of attorney is coupled with an interest by virtue of this Assignment and is irrevocable so long as any sums are outstanding under the loan evidenced by the Note.

5. The representations and warranties set forth in Section 1.1(ee) of the Security Instrument are hereby incorporated in this Assignment by reference as if fully set forth herein.

6. Borrower covenants and agrees that Borrower shall comply with all covenants and agreements set forth in Section 1.10 of the Security Instrument.



7. Borrower covenants and agrees that Borrower shall, at its sole cost and expense, appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with the Leases or the obligations, duties or liabilities of the landlord or tenant thereunder, and shall pay on demand all costs and expenses, including, without limitation, attorneys' fees, which Lender may incur in connection with Lender's appearance, voluntary or otherwise, in any such action or proceeding, together with interest thereon at the Default Interest Rate from the date incurred by Lender until repaid by Borrower.

8. At any time, Lender may, at its option, notify any tenants or other parties of the existence of this Assignment. Borrower does hereby specifically authorize, instruct and direct each and every present and future tenant, lessee and licensee of the whole or any part of the Property to pay all unpaid and future Rents to Lender upon receipt of demand from Lender to so pay the same and Borrower hereby agrees that each such present and future tenant, lessee and licensee may rely upon such written demand from Lender to so pay said Rents without any inquiry into whether there exists an Event of Default hereunder or under the other Loan Documents or whether Lender is otherwise entitled to said Rents. Borrower hereby waives any right, claim or demand which Borrower may now or hereafter have against any present or future tenant, lessee or licensee by reason of such payment of Rents to Lender, and any such payment shall discharge such tenant's, lessee's or licensee's obligation to make such payment to Borrower.

9. Lender may take or release any security for the indebtedness evidenced by the Note, may release any party primarily or secondarily liable for the indebtedness evidenced by the Note, may grant extensions, renewals or indulgences with respect to the indebtedness evidenced by the Note and may apply any other security therefor held by it to the satisfaction of any indebtedness evidenced by the Note without prejudice to any of its rights hereunder.

10. The acceptance of this Assignment and the collection of the Rents in the event Borrower's license is terminated, as referred to above, shall be without prejudice to Lender. The rights of Lender hereunder are cumulative and concurrent, may be pursued separately, successively or together and may be exercised as often as occasion therefor shall arise, it being agreed by Borrower that the exercise of any one or more of the rights provided for herein shall not be construed as a waiver of any of the other rights or remedies of Lender, at law or in equity or otherwise, so long as any obligation under the Loan Documents remains unsatisfied.

11. All rights of Lender hereunder shall inure to the benefit of its successors and assigns; and all obligations of Borrower shall bind its successors and assigns and any subsequent owner of the Property. All rights of Lender in, to and under this Assignment shall pass to and may be exercised by any assignee of such rights of Lender. Borrower hereby agrees that if Lender gives notice to Borrower of an assignment of said rights, upon such notice the liability of Borrower to the assignee of the Lender shall be immediate and absolute. Borrower will not set up any claim against Lender or any intervening Lender as a defense, counterclaim or setoff to any action brought by Lender or any intervening Lender for any amounts due hereunder or for possession of or the exercise of rights with respect to the Leases or the Rents.

12. It shall be an "Event of Default" hereunder if any Event of Default shall occur under the Security Instrument. Upon an Event of Default hereunder, Lender may exercise any or all of the rights and remedies provided for herein, at any time and from time to time, in Lender's sole and absolute discretion. Any Event of Default hereunder shall be a default (or, if applicable, an "Event of Default") under each of the other Loan Documents.

13. Failure by Lender to exercise any right which it may have hereunder shall not be deemed a waiver thereof unless so agreed in writing by Lender, and the waiver by Lender of any default hereunder shall not constitute a continuing waiver or a waiver of any other default or of the same default on any future occasion. No collection by Lender of any Rents pursuant to this Assignment shall constitute or result in a waiver of any default then existing hereunder or under any of the other Loan Documents.

14. If any provision under this Assignment or the application thereof to any entity, person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Assignment and the application of the provisions hereof to other entities, persons or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law.

15. This Assignment may not be amended, modified or otherwise changed except by a written instrument duly executed by Borrower and Lender.

16. This Assignment shall be in full force and effect continuously from the date hereof to and until the payment, discharge, and performance of any and all indebtedness and obligations evidenced by the Note or secured or guaranteed by any of the Loan Documents, and the release of the Security Instrument shall, for all purposes, automatically terminate this Assignment and render this Assignment null and void and of no effect whatsoever.

17. In case of a conflict between any provision of this Assignment and any provision of the Security Instrument, the provision in the Security Instrument shall prevail and be controlling. In case of a conflict between any provision of this Assignment and any provision of any other Loan Document, the provision selected by Lender in its sole subjective discretion shall prevail and be controlling.

18. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be given and become effective as provided in the Security Instrument.

19. This Assignment shall be governed by and construed in accordance with the laws of the State in which the real property described in Exhibit A hereto is located, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case such Federal law shall so govern and be controlling.

20. This Assignment may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Assignment may be detached from any counterpart of this Assignment without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Assignment identical in form hereto but having attached to it one or more additional signature pages.

21. In addition to, but not in lieu of, any other rights hereunder, Lender shall have the right to institute suit and obtain a protective or mandatory injunction against Borrower to prevent a breach or default, or to reinforce the observance, of the agreements, covenants, terms and conditions contained herein, as well as the right to damages occasioned by any breach or default by Borrower.

22. This Assignment shall continue and remain in full force and effect during any period of foreclosure with respect to the Property.

23. Borrower hereby covenants and agrees that Lender shall be entitled to all of the rights, remedies and benefits available by statute, at law, in equity or as a matter of practice for the enforcement



and perfection of the intents and purposes hereof. Lender shall, as a matter of absolute right, be entitled, upon application to a court of applicable jurisdiction, and without notice to Borrower, to the appointment of a receiver to obtain and secure the rights of Lender hereunder and the benefits intended to be provided to Lender hereunder.

24. Notwithstanding anything to the contrary contained in this Assignment, the liability of Borrower and its officers, directors, members and general partners for the indebtedness secured hereby and for the performance of the other agreements, covenants and obligations contained herein and in the other Loan Documents shall be limited as set forth in Section 1.05 of the Note.

[NO FURTHER TEXT ON THIS PAGE]



IN WITNESS WHEREOF, Borrower has executed this Assignment under seal as of the day and year first above written.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

BORROWER:

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

BURLINGTON RETAIL, LLC, a
Washington limited liability company

JUN 26 2007

Amount Paid \$ 0
Skagit Co. Treasurer
By *man* Deputy

By: **SHDP ASSOCIATES, LLC, a**
Washington limited liability company,
its Manager

By: **SHD ASSOCIATES, LLP, a**
Washington limited liability partnership,
its Manager

By: 

Name: Michael J. Hess

Title: Partner



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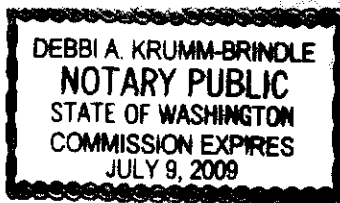
STATE OF WASHINGTON)

: ss.:

COUNTY OF SNOHOMISH)

On this 22nd day of June, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **MICHAEL J. HESS**, to me known to be the **PARTNER** of **SHD ASSOCIATES, LLP**, a Washington limited liability partnership, **MANAGER** of **SHDP ASSOCIATES, LLC**, a Washington limited liability company, **MANAGER** of **BURLINGTON RETAIL, LLC**, a Washington limited liability company, and that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act of and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that **MICHAEL J. HESS** authorized to execute the said instrument and that the seal affixed is the corporate seal of said limited liability partnership on behalf of the limited liability company.

WITNESS my hand and seal the day and year first above written.



[Signature]
Notary Public

Printed Name: DEBBI A. KRUMM-BRINDLE

My Commission Expires: 7/9/2009



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Skagit County Auditor

EXHIBIT A
LEGAL DESCRIPTION



200706260082
Skagit County Auditor

EXHIBIT 'A'

File No.: **NCS-280360-WA1 (dk)**

Property: **2000 South Burlington Blvd, Burlington, WA**

LOT 1 AS DELINEATED ON SPORTSMAN PLAZA BINDING SITE PLAN, AS APPROVED ON DECEMBER 22, 2005 AND RECORDED ON JANUARY 13, 2006 UNDER AUDITOR'S FILE NO. 200601130002, TOGETHER WITH THAT PORTION CONVEYED UNDER AUDITOR'S FILE NO. 200611090022 AND EXCEPT THAT PORTION CONVEYED UNDER AUDITOR'S FILE NO. 200611090023.

A.P.N. 8063-000-001-0000 (P123949)



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