

AFTER RECORDING MAIL TO:

Boeing Employees' Credit Union
Attn: Small Business Services M/S 1146-1
P.O. Box 97050
Seattle, Washington 98124-9750



200904140058
Skagit County Auditor

4/14/2009 Page 1 of 4 12:09PM

LAND TITLE OF SKAGIT COUNTY
120949-S

P71600
P71601

ASSIGNMENT OF RENTS

Reference # 3575717788

Grantor(s): JHandJK LLC, a Washington Limited Liability Company as to Parcel "A" Jason R. Kitzman and Maria L. Kitzman, husband and wife as to Parcel "B"

Grantee(s): Boeing Employees' Credit Union, Beneficiary
Regional Trustee Services Corporation, Trustee

Legal Description: See attached Schedule A *Lts 1-4, Bk 45. Amend Burlington*

Assessor's Tax Parcel ID# Parcel B: 4076-045-004-0002 and Parcel A: 4076-045-002-0004

THIS ASSIGNMENT OF RENTS dated April 1, 2009, is made and executed between JHandJK LLC and Jason R. Kitzman and Maria L. Kitzman, whose address is 830 Fairhaven Street, Burlington, WA 98233 (referred to below as "Grantor(s)") and Boeing Employees' Credit Union, whose mailing address is P.O. Box 97050, Seattle, WA 98124-9750. (referred to below as "Lender")

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:

The Property or its address is commonly known as 822 and 830 Fairhaven Street, Burlington, WA 98233.

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

ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Business Loan Agreement, Grantor hereby absolutely and unconditionally assigns and transfers to Beneficiary all rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the property are payable together with all the right, title and interest in and to any and all existing or future leases, subleases, and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitution of such agreements (all referred to as "Leases") and rents, issues and profits (all referred to as "Rents"). Grantor will promptly provide Lender with true and correct copies of all existing and future Leases. Grantor may collect, receive, enjoy and use the Rents so long as Grantor is not in default under the terms of this Security Agreement.

Grantor agrees that this assignment is immediately effective between the parties to this assignment and effective as to third parties on the recording of this Security Agreement. This assignment will remain in effect during any period of redemption by Grantor until the Secured Debts are satisfied. Grantor warrants that no default exists under the Leases or any applicable landlord/tenant law. Grantor also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.

Grantor hereby covenants that Grantor has not executed any prior assignment of said rents, that Grantor has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents of the Property for more than two months prior to the due dates of such rents. Grantor covenants that Grantor will not hereafter collect or accept payment of any rents of the Property more than two months prior to the due dates of such rents.

Grantor further covenants that Grantor will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

Upon delivery of written notice by Lender to Grantor of the breach by Grantor of any covenant or agreement of Grantor in this Instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this paragraph as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice by Lender to Grantor of the breach by Grantor shall contain a statement that Lender exercises its rights to such rents. Grantor agrees that commencing upon delivery of such written notice of Grantor's breach by Lender to Grantor, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefore, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Grantor.

All rents and revenues collected subsequent to delivery of written notice by Lender to Grantor of the breach by Grantor of any covenant or agreement of Grantor in this Instrument shall be applied first to costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorneys fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Grantor as lessor or landlord of the Property and then to the sums secured by this Instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Grantor, anyone claiming under or through Grantor or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph.

If the rents of the Property are not sufficient to meet costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Grantor to Lender secured by this Instrument. Unless Grantor and Lender agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Grantor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Business Loan Agreement unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Grantor under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property by Lender shall terminate at such time as this Instrument ceases to secure indebtedness held by Lender.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON APRIL 9th, 2009.



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Skagit County Auditor

GRANTOR(S) JHandJK LLC as to parcel "A" and Jason R. Kitzman and Maria L. Kitzman as to parcel "B"

JHandJK LLC

By: Jason R. Kitzman, Managing Member

By: Maria L. Kitzman, Managing Member

Jason R. Kitzman

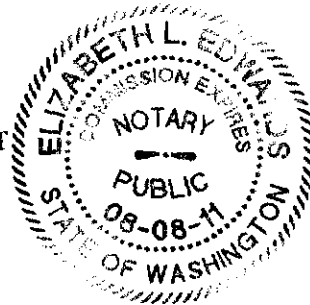
Maria L. Kitzman

INDIVIDUAL ACKNOWLEDGMENT

STATE OF WASHINGTON

County Skagit

ss:

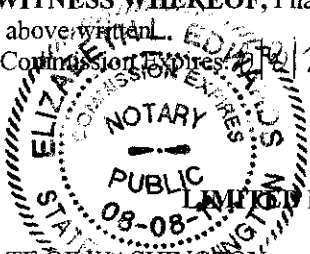


On this 9th day of APRIL, 2009, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Jason R. Kitzman and Maria L. Kitzman**, to me known to be the individual(s) described in and who executed the foregoing instrument, and acknowledge to me that they signed and sealed the said instrument as their free and voluntary act and deed, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

My Commission Expires: 8/8/2011

Elizabeth L. Edwards
Notary Public in and for the State of Washington
Residing at: Whatcom County



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF WASHINGTON

County Skagit

ss:

On this 9th day of APRIL, 2009, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Jason R. Kitzman, and Maria L. Kitzman**, to me known to be the **Managing Members** of the Limited Liability Company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

My Commission Expires: 8/8/2011

Elizabeth L. Edwards
Notary Public in and for the State of Washington
Residing at: Whatcom County



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Schedule A

PARCEL "A":

Lots 1 and 2, Block 45, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASH.," as per plat recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington.

Situate in the City of Burlington, County of Skagit, State of Washington.

PARCEL "B":

Lots 3 and 4, Block 45, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASH.," as per plat recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington.

Situate in the City of Burlington, County of Skagit, State of Washington.



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