

RETURN ADDRESS:

Skagit State Bank
Main Office
301 E. Fairhaven Ave
P.O Box 285
Burlington, WA 98233



201004210093

Skagit County Auditor

4/21/2010 Page

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14 3:48PM

LAND TITLE OF SKAGIT COUNTY

* ASSIGNMENT%#####%#####%04-20-2010*

ASSIGNMENT OF RENTSReference # (if applicable): 135904-S

Additional on page ____

Grantor(s):

1. LANDED GENTRY CUSTOM HOME GROUP, L.L.C.
2. BLANE, L.L.C.
3. COMMONWEALTH HOLDINGS, L.L.C.
4. EAST GARDNER, L.L.C.

Grantee(s)

1. Skagit State Bank

Legal Description: Parcel A: Lots 27 through 37, 43, 47 through 53, 55, 56, 60 and 63 through 66 MONTREAU PHASE 1

Parcel B: Ptn. SW ¼ NW ¼ 28-34-4

Parcel C: Ptn. SW ¼ NW ¼ 28-34-4

Parcel D: Ptn. SW ¼ NW ¼ 28-34-4

Parcel E: Leasehold Lot 4, B.S.P. #PL06-0913 (A Ptn. Of Lot 80, Skagit Reg. Airport BSP Ph.1).

Parcel F: Ptn Lots 3 & 4, SP 98-78; Ptn Tr. 36, Burlington Acreage Property.

Additional on page ____

Assessor's Tax Parcel ID#: Parcel A: P126420, P126421, P126422, P126423, P126424, P126425, P126426, P126427, P126428, P126429, P126430 P126436, P126440, P126441, P126442, P126443, P126444, P126445, P126446 P126448, P126449, P126453, P126456, P126457, P126458, P126459

Parcel B: 340428-2-007-0011 (R28002),

Parcel C: 340428-2-020-0006 (R28022),

Parcel D: 340428-2-010-0016 (R28009)

Parcel E: 8071-000-004-0100 (P129777) (P123356)

Parcel F: 3867-000-036-0103 (P62505)

THIS ASSIGNMENT OF RENTS dated April 20, 2010, is made and executed between LANDED GENTRY CUSTOM HOME GROUP, L.L.C., a Washington Limited Liability company, whose address is 504 E Fairhaven Ave., Burlington, WA 98233 as to Parcel A; BLANE, L.L.C., a Washington Limited Liability company, whose address is 504 E Fairhaven Ave., Burlington, WA 98233 as to Parcel B, C and D; COMMONWEALTH HOLDINGS, L.L.C., a Washington Limited Liability company, whose address is 504 E Fairhaven Ave., Burlington, WA 98233 as to Parcel E and EAST GARDNER, L.L.C., a Washington Limited Liability company, whose address is 504 E Fairhaven Ave., Burlington, WA 98233 as to Parcel F (referred to below as "Grantor") and Skagit State Bank, whose mailing address is 301 E. Fairhaven Ave, P O Box 285, Burlington, WA 98233 (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 Schedule "A-1" and 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 A: 26 lots Montreaux Phase 1, Mount Vernon, WA;

B,C,D: 2333, 2209, 2289 E. Blackburn Rd., Mount Vernon, WA

E: 11964 D Higgins Airport Way, Building #4, Burlington, WA;

F: 212 Gardner Rd. 3.98 acres, Burlington, WA 98233. The Property tax identification number is Parcel A: P126420, P126421, P126422, P126423, P126424, P126425, P126426, P126427, P126428, P126429, P126430 P126436, P126440, P126441, P126442, P126443, P126444, P126445, P126446 P126448, P126449, P126453, P126456, P126457, P126458, P126459

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CROSS-COLLATERALIZATION. In addition to the Note, this Assignment secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

REVOLVING LINE OF CREDIT. This Assignment secures the indebtedness including, without limitation, a revolving line of credit, which obligates Lender to make advances to Borrower so long as Borrower complies with all the terms of the Note and the line of credit has not been terminated, suspended or cancelled; the Note allows negative amortization. Funds may be advanced by Lender, repaid, and subsequently readvanced. The unpaid balance of the revolving line of credit may at certain times be lower than the amount shown or zero. A zero balance does not terminate the line of credit or terminate Lender's obligation to advance funds to Borrower. Therefore, the lien of this Assignment will remain in full force and effect notwithstanding any zero balance.

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.



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ASSIGNMENT OF RENTS (Continued)

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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 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.

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 of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, 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 of any of the



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ASSIGNMENT OF RENTS (Continued)

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Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

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.

Insecurity. Lender in good faith believes itself insecure.

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 Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower 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 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.

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 Grantor signing below is responsible for all obligations in this Assignment. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under 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



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ASSIGNMENT OF RENTS (Continued)

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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 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.

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 LANDED GENTRY CUSTOM HOME GROUP, L.L.C. .

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 LANDED GENTRY CUSTOM HOME GROUP, L.L.C. ; BLANE, L.L.C.; COMMONWEALTH HOLDINGS, L.L.C.; and EAST GARDNER, L.L.C..

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor 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. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Assignment.

Lender. The word "Lender" means Skagit State Bank, its successors and assigns.

Note. The word "Note" means Promissory note dated April 6, 2010 in the original amount of \$532,000.00.

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.



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ASSIGNMENT OF RENTS
(Continued)

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THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON 4-20-10.

GRANTOR:

LANDED GENTRY CUSTOM HOME GROUP, L.L.C.

By: [Signature]

KENDALL D GENTRY, Manager of LANDED GENTRY CUSTOM HOME GROUP, L.L.C.

BLANE, L.L.C.

By: [Signature]

KENDALL D GENTRY, Manager of BLANE, L.L.C.

COMMONWEALTH HOLDINGS, L.L.C.

By: [Signature]

KENDALL D GENTRY, Manager of COMMONWEALTH HOLDINGS, L.L.C.

EAST GARDNER, L.L.C.

By: [Signature]

KENDALL D GENTRY, Manager of EAST GARDNER, L.L.C.

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit

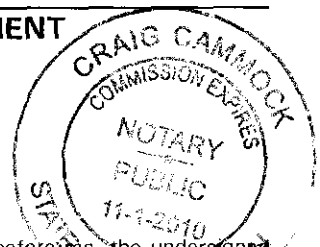
On this 20th day of April, 20 10, before me, the undersigned Notary Public, personally appeared KENDALL D GENTRY, Manager of LANDED GENTRY CUSTOM HOME GROUP, L.L.C., and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the ASSIGNMENT OF RENTS and acknowledged the Assignment to be the free and voluntary act and deed of the limited liability company; by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Assignment and in fact executed the Assignment on behalf of the limited liability company.

By: [Signature]

Notary Public in and for the State of Washington

Residing at Mount Vernon WA

My commission expires 11-1-2010



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ASSIGNMENT OF RENTS
(Continued)

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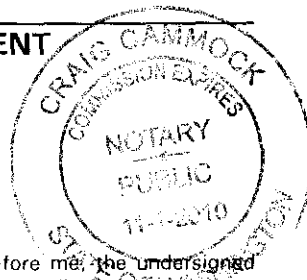
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 20th day of April, 20 10, before me, the undersigned Notary Public, personally appeared **KENDALL D GENTRY, Manager of BLANE, L.L.C.**, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the ASSIGNMENT OF RENTS and acknowledged the Assignment to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Assignment and in fact executed the Assignment on behalf of the limited liability company.

By [Signature]
Notary Public in and for the State of Washington

Residing at Mount Vernon, WA
My commission expires 11-1-2010



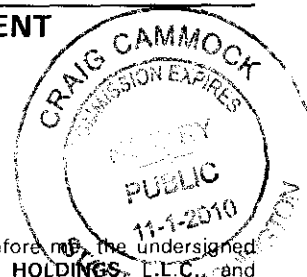
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 20th day of April, 20 10, before me, the undersigned Notary Public, personally appeared **KENDALL D GENTRY, Manager of COMMONWEALTH HOLDINGS, L.L.C.**, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the ASSIGNMENT OF RENTS and acknowledged the Assignment to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Assignment and in fact executed the Assignment on behalf of the limited liability company.

By [Signature]
Notary Public in and for the State of Washington

Residing at Mount Vernon, WA
My commission expires 11-1-2010



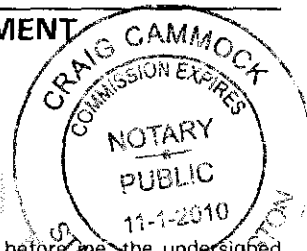
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Washington)
) SS
COUNTY OF Skagit)

On this 20th day of April, 20 10, before me, the undersigned Notary Public, personally appeared **KENDALL D GENTRY, Manager of EAST GARDNER, L.L.C.**, and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the ASSIGNMENT OF RENTS and acknowledged the Assignment to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Assignment and in fact executed the Assignment on behalf of the limited liability company.

By [Signature]
Notary Public in and for the State of Washington

Residing at Mount Vernon, WA
My commission expires 11-1-2010



201004210093
Skagit County Auditor

Schedule "A-1"

135904-S

DESCRIPTION:

KDE

PARCEL "A":

Lots 27 – 37, inclusive, Lot 43, Lots 47 – 53, Lots 55 and 56 and 60 and Lots 63 – 66, inclusive, "PLAT OF MONTREAU, PHASE 1," as per plat recorded on July 23, 2007, under Auditor's File No. 200707230124, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL "B":

Those portions of the East $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M., and the East $\frac{1}{2}$ of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M., more particularly described as follows:

Beginning at the Southwest corner of said East $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28;
thence along the West line of said East $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, North $00^{\circ}46'38''$ East, a distance of 30.02 feet to the North right of way of Blackburn Road and the true point of beginning;
thence continuing along said West line, North $00^{\circ}46'38''$ East, a distance of 551.02 feet to a point within the approximate path of Maddox Creek;
thence leaving said West line, along said approximate path, North $74^{\circ}21'57''$ East, a distance of 34.19 feet;
thence North $44^{\circ}14'59''$ East, a distance of 243.07 feet;
thence North $24^{\circ}33'37''$ East, a distance of 86.20 feet;
thence South $70^{\circ}46'18''$ East, a distance of 104.34 feet;
thence North $60^{\circ}00'44''$ East, a distance of 218.56 feet to a point on the East line of the property described in Quit Claim Deed recorded under Auditor's File No. 200310100182, records of Skagit County, Washington;
thence leaving said Maddox Creek, along the last referenced East line, South $00^{\circ}48'34''$ West, a distance of 605.83 feet to a point on the North line of the property described in deed recorded under Auditor's File No. 573266, records of Skagit County, Washington;
thence along said North line of last referenced property, parallel with the South line of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, South $88^{\circ}43'08''$ West a distance of 327.56 feet to the Northwest corner of the property described in Statutory Warranty Deed recorded under Auditor's File No. 200206260073, records of Skagit County, Washington;
thence along the West line of last referenced property, South $00^{\circ}48'34''$ West, a distance of 270.18 feet to the North right of way line of Blackburn Road;
thence along said North right of way line of Blackburn Road, South $88^{\circ}43'08''$ West, a distance of 193.86 feet to the true point of beginning.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



201004210093

Skagit County Auditor

Schedule "A-1"

135904-S

DESCRIPTION CONTINUED:

KDG

PARCEL "C":

The West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 34 North, Range 4 East, W.M.,

EXCEPT the North $\frac{1}{2}$ (by area) thereof,

EXCEPT the County road known as Burch Road or Blackburn Road,

EXCEPT the following described tract:

Beginning at the intersection of the North line of the County road and the East line of said West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North along the East line of said West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, a distance of 130 feet;
thence West 80 feet;
thence South 130 feet to the North line of the County road;
thence East along the North line of said County road, a distance of 80 feet to the point of beginning,

AND ALSO EXCEPT that portion of the West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, Section 28, Township 34 North, Range 4 East, W.M., more particularly described as follows:

Beginning at the Southwest corner of said subdivision,
thence along the West line of said subdivision, North $00^{\circ}44'42''$ West, a distance of 295.02 feet to the true point of beginning;
thence continuing along said West line, North $00^{\circ}44'42''$ East, a distance of 368.97 feet to the Northwest corner of said subdivision;
thence along the North line of said subdivision, North $89^{\circ}02'13''$ East, a distance of 327.24 feet to the Northeast corner of said subdivision;
thence along the East line of said subdivision, South $00^{\circ}46'38''$ West, a distance of 81.15 feet to a point within the approximate path of Maddox Creek;
thence following said approximate path, South $74^{\circ}21'57''$ West, a distance of 153.12 feet;
thence South $63^{\circ}37'49''$ West, a distance of 89.58 feet;
thence South $13^{\circ}48'14''$ West, a distance of 128.00 feet;
thence South $39^{\circ}33'18''$ West, a distance of 114.06 feet to the true point of beginning.

AND ALSO EXCEPT that portion conveyed to the City of Mount Vernon, Washington, by deed recorded April 24, 2009, under Auditor's File No. 200904240115, records of Skagit County, Washington.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.



201004210093

Skagit County Auditor

Schedule "A-1"

135904-S

DESCRIPTION CONTINUED:

1286

PARCEL "D":

That portion of the West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, Section 28, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the North line of the County road and the East line of said West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
thence North along the East line of said West $\frac{1}{2}$ of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ a distance of 130 feet;
thence West 80 feet;
thence South 130 feet to the North line of the County road;
thence East along the North line of said County road a distance of 80 feet to the point of beginning.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.

PARCEL "E":

Lot 4, Binding Site Plan No. PL06-0913, approved May 16, 2007, May 17, 2007, June 5, 2007 and June 18, 2007, recorded June 18, 2007, under Auditor's File No. 200706180136, being a portion of Lot 80, AMENDED SKAGIT REGIONAL BINDING SITE PLAN, PHASE 1, PL02-0127, dated February 28, 2003, recorded March 4, 2003, under Auditor's File No. 200303040030, all records of Skagit County, Washington, further, being a portion of Section 3, Township 34 North, Range 3 East, W.M. AND of Sections 33 and 34, Township 35 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "F":

Tract 4 and the North 20 feet of Tract 3 of Short Plat No. 98-78, approved December 6, 1978 and recorded December 7, 1978, under Auditor's File No. 892644, in Volume 3 of Short Plats, page 48, records of Skagit County, Washington; being a portion of Tract 36, "PLAT OF THE BURLINGTON ACREAGE PROPERTY", as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, Washington,

EXCEPT that portion of said Tract 4 described as follows:

Begin at the Southeast corner of Tract 1 of said Short Plat;
thence North along the East lines of Tracts 1, 2 and 3 of said Short Plat to a point on the South line of the North 20 feet of said Tract 3;
thence East along the Easterly extension of said South line to a point on a line parallel with and 10 feet East of the East line of Tracts 1, 2 and 3 of said Short Plat;
thence South along said parallel line to a point on the South line of said Tract 4;
thence West along said South line to the point of beginning,



201004210093
Skagit County Auditor

Schedule "A-1"

135904-S

DESCRIPTION CONTINUED;

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PARCEL "F" Continued:

EXCEPT those portions of Tract 4, described as follows:

Beginning at the Northeast corner of said Tract 4;
thence South $89^{\circ}39'50''$ West along the North line of said Tract 4, a distance of 23.41 feet;
thence South $0^{\circ}43'26''$ East, a distance of 329.94 feet to a point on the South line of said Tract 4;
thence North $89^{\circ}37'16''$ East along the South line of said Tract 4, a distance of 21.44 feet to the Southeast corner of said Tract 4;
thence North $0^{\circ}22'53''$ West along the East line of said Tract 4, a distance of 329.91 feet to the true point of beginning.

Beginning at the Northeast corner of said Lot 4;
thence South $89^{\circ}39'50''$ West along the North line of said Lot 4, a distance of 28.60 feet to the true point of beginning;
thence South $0^{\circ}31'55''$ East, a distance of 12.65 feet;
thence North $89^{\circ}44'28''$ West parallel to and 5 feet North of an existing fence line running East and West, a distance of 303.42 feet to a fence line which runs North and South;
thence North $0^{\circ}45'10''$ West along said fence line, a distance of 9.50 feet to the North line of said Lot 4;
thence North $89^{\circ}39'50''$ East along the North line of said Lot 4, a distance of 303.45 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.



201004210093
Skagit County Auditor

4/21/2010 Page

11 of 14 3:48PM

EXHIBIT "A"

TAXES:

General taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 2010, if unpaid, second half delinquent November 1, 2010, if unpaid:



<u>Account No.</u>	<u>Year</u>	<u>Amount Billed</u>	<u>Amount Paid</u>	<u>Balance Owning</u>
(Affects PARCEL "A" P126420 THROUGH P126459)				
4935-000-027-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126420				
4935-000-028-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126421				
4935-000-029-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126422				
4935-000-030-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126423				
4935-000-031-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126424				
4935-000-032-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 4,633.23	\$ -0-	\$4,633.23
Property I.D. No.: P126425				
4935-000-033-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126426				
4935-000-034-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126427				
4935-000-035-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126428				
4935-000-036-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126429				
4935-000-037-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126430				
4935-000-043-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126436				
4935-000-047-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126440				
4935-000-048-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126441				



201004210093

Skagit County Auditor

EXHIBIT "A", Page 2

TAXES Continued:

General taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 2010, if unpaid, second half delinquent November 1, 2010, if unpaid: *1000*

<u>Account No.</u>	<u>Year</u>	<u>Amount Billed</u>	<u>Amount Paid</u>	<u>Balance Owning</u>
4935-000-049-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126442				
4935-000-050-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126443				
4935-000-051-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126444				
4935-000-052-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126445				
4935-000-053-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126446				
4935-000-055-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 5,164.31	\$ -0-	\$5,164.31
Property I.D. No.: P126448				
4935-000-056-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126449				
4935-000-060-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126453				
4935-000-063-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126456				
4935-000-064-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126457				
4935-000-065-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126458				
4935-000-066-0000	2009	\$ 1,132.83	\$566.42	\$ 566.41
	2010	\$ 1,220.85	\$ -0-	\$1,220.85
Property I.D. No.: P126459				

(Affects PARCEL "A" P126420 THROUGH P126459)



201004210093

Skagit County Auditor

EXHIBIT "A", Page 3

KDE

TAXES Continued:

General taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 2010, if unpaid, second half delinquent November 1, 2010, if unpaid:

<u>Account No.</u>	<u>Year</u>	<u>Amount Billed</u>	<u>Amount Paid</u>	<u>Balance Owning</u>
340428-2-007-0011	2010	\$ 8,786.64	\$ -0-	\$8,786.64
Property I.D. No.: P28002 (Affects Parcel "B" only)				
340428-2-020-0006	2010	\$ 4,950.64	\$ -0-	\$4,950.64
Property I.D. No.: P28022 (Affects Parcel "C" only)				
340428-2-010-0016	2010	\$ 3,401.35	\$ -0-	\$3,401.35
Property I.D. No.: P28009 (Affects Parcel "D" only)				
3867-000-036-0103	2009	\$ 3,788.48	\$1,894.24	\$1,894.24
	2010	\$ 3,658.71	\$ -0-	\$3,658.71
Property I.D. No.: P62505 (Affects Parcel "F" only)				

Personal property taxes, together with interest, penalty and statutory foreclosure costs, if any, first half delinquent May 1, 2010, if unpaid, second half delinquent November 1, 2010, if unpaid:

<u>Account No.</u>	<u>Year</u>	<u>Amount Billed</u>	<u>Amount Paid</u>	<u>Balance Owning</u>
8071-000-004-0100	2010	\$ 1861.11	\$ -0-	\$1861.11
NEW Property I.D. No.: P129777 (Affects Parcel "E" only)				



201004210093

Skagit County Auditor