

When recorded, return to:

Stellman Keehnel
DLA Piper LLP (US)
701 Fifth Avenue, Suite 7000
Seattle, WA 98104



201407230062

Skagit County Auditor

\$77.00

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Document Title: Assignment of Rents

Grantors: Minne Vanderhoek and Geertruida G. Vanderhoek

Grantee: Union Bank, N.A.

Abbreviated Legal Description: ptn. NW 1/4, 15-35-4 E W.M. & ptn. 10-35-4, E W.M.

Assessor's Tax Parcel Number(s): 350410-3-011-0004, P36140, 350415-2-002-0002, P36717, 350415-2-001-0003, P36716, 350415-2-010-0002, P36727

Reference Number of Document Assigned: 201308080079 (Lease Agreement)

ASSIGNMENT OF RENTS

MINNE VANDERHOEK and GEERTRUIDA G. VANDERHOEK TO UNION BANK, N.A.

This Assignment of Rents is entered into as of July 08, 2014, by Minne Vanderhoek and Geertruida ("Trudy") Vanderhoek and their martial community (the "**Assignors**") and Union Bank, N.A. (the "**Assignee**") to secure the Assignors' payment obligations as set forth in the Confidential Settlement and Release Agreement entered into by the Assignors and the Assignee as of July 08, 2014 (the "**Settlement Agreement**").

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein and in the Settlement Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Assignors and the Assignee (collectively, the "**Parties**"), the Parties agree to be legally bound by the following terms and conditions:

1. As security for the Assignors' obligations as to all sums now or at any time hereafter due from the Assignors to the Assignee under the Settlement Agreement (the "**Indebtedness**"), the Assignors assign all of the rents, royalties, profits, revenues, income, proceeds, fees, rent insurance proceeds, settlements, judgments, bankruptcy claims, and deposits, from the Lease Agreement dated August 1, 2013, between Assignors and Joseph and Annette

LeClair dba LeClair Farms (the "Lease Agreement"), which Lease Agreement was recorded with the Skagit County Auditor on August 8, 2013, with the recordation number 201308080079, including but not limited to the Assignors' right to receive rental payments under Section 4 of the Lease Agreement. These assigned rights are collectively referred to herein as "Rents." The property that is subject to the Lease Agreement is described in Exhibit A to this Assignment of Rents.

2. Subject to Section 9 below, the Assignors shall receive the Rents from the tenants under the Lease Agreement, and the Assignors hereby covenant to transfer to Assignee the Rents in accordance with the Settlement Agreement.

3. Upon written confirmation by the Assignee that the Indebtedness has been paid in full, which written confirmation will be promptly provided by the Assignee, this Assignment of Rents shall thereafter become and be void and of no effect.

4. The Assignment of Rents shall remain in full force and effect during the period from and after the filing of any suit or other enforcement remedy provided for in the Settlement Agreement.

5. The Assignors represent that: (a) they are entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Assignee in writing; (b) they have the full right, power, and authority to enter into this Assignment of Rents and to convey the Rents to Assignee; and (c) they have not previously assigned or conveyed the Rents to any other person by any instrument now in force.

6. The Assignors will (a) fulfill or perform each and every condition and covenant of the Lease Agreement that is to be fulfilled or performed by the lessor, (b) will give prompt notice to the Assignee of any notice of default by the Assignors under the Lease Agreement, (c) will not do or permit to be done anything to impair the Assignee's security under this Assignment of Rents, (d) will not execute, without the Assignee's prior written consent, any other assignment of the lessor's interest in the Lease Agreement, and (e) will not subordinate the Lease Agreement to any mortgage or other encumbrance or permit, or allow or suffer any such subordination without the Assignee's prior written consent. Furthermore, the Assignors will not modify or in any way alter the terms of the Lease Agreement, will not terminate the term of the Lease Agreement or accept a surrender thereof unless required to do so by the terms of the Lease Agreement, and will not waive or release any lessee (or guarantor) from any obligations or conditions by the lessee (or guarantor) to be performed or settle or compromise any right or claim for unpaid Rents, whether in connection with litigation, bankruptcy or otherwise, without the prior written consent by the Assignee.

7. At the Assignors' sole cost and expense, the Assignors will appear in and defend any action growing out of or in any manner connected with the Lease Agreement or the obligations or liabilities of the lessor, lessee or any guarantor thereunder, and the Assignee, if made a party to any such action, may employ counsel and incur and pay necessary costs and expenses and attorneys' fees. All such sums incurred by Assignee shall immediately be due



from the Assignors, will be added to the Indebtedness, and are secured by this Assignment of Rents.

8. The whole of the Indebtedness shall become due, at the option of the Assignee, after any breach by the Assignors of the Settlement Agreement or this Assignment of Rents (a "Default").

9. Upon the occurrence of a Default, the Assignee shall have the sole and absolute right in its own name, without the necessity of taking possession of the property that is the subject of the Lease Agreement or seeking the appointment of a receiver by a court, to directly collect and receive all Rents, including those past due and unpaid, or sue tenants for same, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, to the Indebtedness in such order as the Assignee may determine. Under this provision, at the Assignee's option, the Assignee may also: enter upon, take possession of, and operate the property that is the subject of the Lease Agreement; make, enforce, modify, and accept the surrender of the Lease Agreement; obtain and evict tenants; fix or modify Rents; and do any acts which the Assignee deems proper to protect the Assignee's security provided herein until the Indebtedness is paid in full. The collection of Rents and the application thereof to the Indebtedness shall not release the Assignors from any obligation under this Assignment of Rents or the Settlement Agreement, or cure or waive any Default.

10. The Assignee shall not be obligated to perform or discharge any obligation under the Lease Agreement, or under or by reason of this Assignment of Rents and Settlement Agreement, and the Assignors hereby agree to indemnify the Assignee against and hold the Assignee harmless from and against any and all liability, claim, loss, charge, damage or demand which the Assignee may or might incur under the Lease Agreement or under or by reason of this Assignment of Rents and the Settlement Agreement and of and from any and all claims and demands whatsoever which may be asserted against the Assignee by reason of any alleged obligation or undertaking on the part of the Assignee to perform or discharge any of the terms of the Lease Agreement, except as incurred because of the bad faith or willful misconduct of the Assignee; should the Assignee incur any such liability, loss or damage under the Lease Agreement or under or by reason of this Assignment of Rents and the Settlement Agreement, or in defense against any such claims or demands, the amount thereof, including costs, expenses and attorneys' fees, shall be secured by this Assignment of Rents, and the Assignors shall reimburse the Assignee such amounts immediately upon demand.

11. This Assignment of Rents shall inure to the benefit of the successors and assigns of the Assignee and shall bind the Assignors' legal representatives, successors and assigns.

12. This Assignment of Rents may not be amended, revoked, changed, or modified in any way except in writing executed by the Parties. No waiver of any provision of this Assignment of Rents shall be valid unless it is in writing and signed by the Party against whom such waiver is charged.

13. This Assignment of Rents shall be governed by and construed in accordance with the laws of the State of Washington.



14. The Parties agree and acknowledge that in executing this Assignment of Rents, they have not relied in any way upon representations or statements not set forth in this Assignment of Rents or the Settlement Agreement, and further that they have independently chosen to enter into this Assignment of Rents without regard to representations or statements that are not contained herein or in the Settlement Agreement. The Parties have relied on the advice and representation of counsel of their own selection and have read and fully understand this Assignment of Rents, and have been fully advised as to its legal effect.

15. A determination that any provision of this Assignment of Rents is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Assignment of Rents to any person or circumstances is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

16. THE ASSIGNORS HEREBY IRREVOCABLY AUTHORIZE AND DIRECT EACH TENANT NAMED IN THE LEASE AGREEMENT, UPON RECEIPT FROM THE ASSIGNEE OF A WRITTEN NOTICE TO THE EFFECT THAT A DEFAULT EXISTS UNDER THIS ASSIGNMENT OF RENTS OR THE SETTLEMENT AGREEMENT, TO PAY ALL RENTS ARISING OR ACCRUING UNDER THE LEASE AGREEMENT TO THE ASSIGNEE AND TO CONTINUE TO DO SO UNTIL OTHERWISE DIRECTED BY THE ASSIGNEE. THE ASSIGNORS COVENANT AND AGREE, FOR THE BENEFIT OF EACH TENANT, THAT ANY RENT SO PAID TO THE ASSIGNEE SHALL FULLY DISCHARGE ALL OBLIGATIONS SUCH TENANT MAY HAVE TO THE ASSIGNORS IN RESPECT OF SUCH PAYMENT, AS FULLY AND COMPLETELY AS IF SUCH PAYMENT HAD BEEN MADE TO THE ASSIGNORS.

17. Assignors acknowledge (a) that they are granting a security interest in the Rents to the Assignee, (b) that Assignee may file a financing statement and other documents in connection with its security interest, and (c) that Assignee may record this Assignment of Rents.

18. This Assignment of Rents may be executed in any number of counterparts with the same effect as if all Parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute this Assignment of Rents.

The Parties have executed and delivered this Assignment of Rents as of July 08, 2014.

ASSIGNORS:

Trudy Vanderhoek

Trudy Vanderhoek

Minne Vanderhoek

Minne Vanderhoek

ASSIGNEE:

Union Bank, N.A.

By: *Andrew E. De...*

Title: DIRECTOR

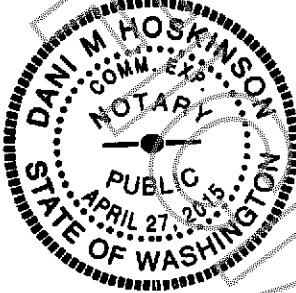


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STATE OF WASHINGTON)
) ss.
County of Skagit)

On this day personally appeared before me **Minne Vanderhoek and Geertruida ("Trudy") G. Vanderhoek**, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes mentioned.

GIVEN under my hand and official seal this 8th day of July, 2014.

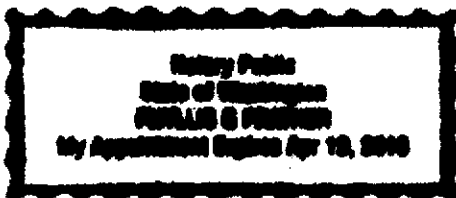


Dani Hoskinson
Printed Name: _____
NOTARY PUBLIC in and for the State of
Washington, residing at Burlington
My Commission expires: April 27, 2015

STATE OF WASHINGTON)
) ss.
County of Skagit)
Snohomish

On this day personally appeared before me Andrew E. Bembry, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes mentioned.

GIVEN under my hand and official seal this 21st day of July, 2014.



Phyllis G. Prather
Printed Name: Phyllis G. Prather
NOTARY PUBLIC in and for the State of
Washington, residing at Everett
My Commission expires: April 19, 2015



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EXHIBIT A TO ASSIGNMENT OF RENTS

LEGAL DESCRIPTION OF PROPERTY SUBJECT TO THE LEASE AGREEMENT

The property that is the subject of the Lease Agreement is 90 acres (+/-) of real property located in Skagit County, Washington, and is legally described as follows:

PARCEL "A":

The East 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 15, Township 35 North, Range 4 East, W.M., EXCEPT County Road.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

The Northeast 1/4 of the Northwest 1/4 of Section 15, Township 35 North, Range 4 East, W.M., EXCEPT the East 703 feet thereof, and EXCEPT County Road.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Lot 1, Short Plat No. PL05-0068, approved November 21, 2005, recorded November 22, 2005 under Auditor's File No. 200511220113, and being a portion of the Southeast 1/4 of the Northwest 1/4 of Section 15, Township 35 North, Range 4 East, W.M., EXCEPT County Road.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

That portion of the South 1/2 of the Southwest 1/4 of Section 10, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the South line of said Section 10, 1,160.7 feet East of the Southwest corner;
thence North parallel with the West line of said Section to the South line of Hill Ditch of Drainage District No. 14;
thence Easterly and Southerly along the South line of said ditch to the South line of said Section;
thence West 1,280 feet, more or less, to the point of beginning, EXCEPT roads and ditch rights of way.

Situate in the County of Skagit, State of Washington.

