

**Return Address:**  
Christopher R. Ambrose, Esq.  
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Portland, OR 97201-6616

SC R27539

WASHINGTON STATE RECORDER'S COVER SHEET  
Please print or type information (RCW 65.04)

**Document Title(s)** (or transactions contained therein): (all areas applicable to your document must be filled in)

1. Assignment of Leases and Rents.

**Reference Number(s) of Documents assigned or released:**

Additional reference #'s on page N/A of document

**Grantor(s)** (Last name first, then first name and initials)

1. Landacre, Kevin J.
- 2.

**Grantee(s)** (Last name first, then first name and initials)

1. Customers For Life, LLC

**Legal description** (abbreviated: i.e. lot, block, plat or section, township, range)

Lot 174 Northwoods (Parcel 1), SE 1/4 SEC 28, T1N R6E (Parcel 1), S 1/4 SEC 28, T1N R6E  
~~XXXXXX~~

☒ Additional legal is on page 6 of document.

**Assessor's Property Tax Parcel/Account Number:** No. 96-000174 ~~XXXXXX~~

☐ Assessor Tax# not yet assigned

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

## ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (the "Assignment"), dated as of the 26 day of January, 2005, is made by Kevin J. Landacre and Melissa K. Lyall (jointly the "Grantor") in favor of Customers For Life, LLC ("Lender").

### RECITALS

A. Lender has agreed to make a loan to the Grantor in the amount of \$40,000.00 (the "Loan" or the "Indebtedness"), which will be evidenced by that certain Secured Promissory Note of even date herewith (the "Note") executed by Grantor in favor of Lender in the amount of the Loan and bearing interest and being payable as set forth therein.

B. The Loan will be secured, in part, by a Commercial Deed of Trust and Assignment of Rents, dated as of the date of the Note between Grantor and Lender, encumbering the following described real property and the improvements thereon commonly known as Lot 174 Northwoods, Cougar, WA 98616 (the "Cabin") and Mile Post 18, Highway N. 90, Cougar, WA 98616 (the "Store"), (collectively, the "Property") and the other Loan Documents, which term includes this Assignment.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

**Section 1. Definitions.** Capitalized terms used herein shall have the respective meanings given them in the Trust Deed unless otherwise defined herein. The term "including" shall mean "including, without limitation."

#### **Section 2. Assignment.**

**2.1** To further secure the Indebtedness, Grantor hereby assigns, transfers, conveys and sets over to Lender all of Grantor's estate, right, title and interest in, to and under all leases, whether existing on the date hereof or hereafter entered into (including any extensions, modifications or amendments thereto) relating to the Property, (the "Leases"), together with all rights, powers, privileges, options and other benefits of Grantor as the landlord under the Leases regarding the current tenants and any future tenants (the "Tenants", and each a "Tenant"), and also together with all guarantees of the Tenants' performance and payment under the Leases, and all the rents, charges, issues, royalties, revenues, profits, and income under the Leases or from the Property (collectively, the "Rents"), including those now due, past due or to become due.

**2.2** This Assignment is a present, absolute and unconditional assignment, and is not a contingent assignment. The rights of Lender in and to the Leases and Rents are not dependent upon the absence or occurrence of any event. Notwithstanding the foregoing, however, so long as no "Event of Default" (as defined herein) has occurred, Grantor shall have a revocable license to possess and control the Property and collect and receive all Rents. Upon the occurrence of an Event of Default, such license shall automatically be deemed to be revoked by Lender.

#### **Section 3. Agreements of Grantor.** Grantor hereby agrees as follows:

**3.1** Grantor irrevocably appoints Lender their true and lawful attorney-in-fact, at the option of Lender at any time and from time to time, to take possession and control of the Property, pursuant to Grantor's rights as lessor under the Leases, and to demand, receive and enforce payment, to give receipts, releases and satisfaction and to sue, in the name of Grantor or Lender, for all Rents;

**3.2** If any of the Leases provide for a security deposit paid by the Tenant thereunder to Grantor, this Assignment shall transfer to the Lender all of Grantor's right, title and interest in and to such security deposits; provided, however, that Grantor shall have the right to retain such security deposits so long as no Event of Default shall have occurred; and provided, further, that Lender shall have no obligation to any such Tenant with respect to such security deposits unless and until Lender comes into actual possession and accepts control of such security deposits by notice to such Tenant;

**3.3** Grantor shall not terminate any Lease (except pursuant to the terms of such Lease upon a default by the Tenant thereunder), grant concessions or modify or amend any such Lease in any material manner, or consent to an assignment or subletting, without the prior written consent of Lender;

**3.4** Grantor has not and shall not collect any Rent more than one (1) month in advance of the date on which it becomes due under the terms of each Lease, or discount any future accruing Rent, or waive any right of setoff against any Tenant under the Leases;

3.5 Except with the prior written consent of Lender, Grantor shall not permit a subordination of any Lease to any mortgage, deed of trust or other encumbrance, or any other lease, now or hereafter affecting the Property or any part thereof, or permit the conversion of any Lease to a sublease;

3.6 Grantor shall faithfully perform and discharge all obligations of the landlord under the Leases, and shall give prompt written notice to Lender of any notice of Grantor's default received from a Tenant or any other person and shall furnish Lender with a complete copy of said notice;

3.7 Upon the request of Lender, Grantor shall promptly provide to Lender a true and correct copy of all existing Leases; and

3.8 Nothing herein shall be construed to constitute Lender as a "mortgagee in possession" in the absence of its taking of actual possession of the Property pursuant to the powers granted herein, or to impose any liability or obligation on Lender under or with respect to the Leases or the Property. Grantor shall indemnify and hold Lender harmless from and against any and all liabilities, losses and damages (including attorneys' fees) that Lender may incur under the Leases or by reason of this Assignment, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations to be performed or discharged by Lender under the Leases or this Assignment. Any Rent collected by Lender may be applied by Lender in its discretion in satisfaction of any such liability, loss, damage, claim, demand, costs, expense or fees. Grantor shall appear in and defend, at no cost to Lender, any action or proceeding arising under or in any manner connected with the Leases. If requested by Lender, Grantor shall enforce any Lease and all remedies available to Grantor against the Tenant in the case of default under such Lease by the Tenant thereunder.

**Section 4. Event of Default.** The following shall constitute an Event of Default hereunder: (i) the occurrence of an Event of Default under any Loan Document; or (ii) if at any time any representation or warranty made by Grantor in this Assignment shall be or become materially incorrect; or (iii) the breach of any agreement by Grantor under this Assignment.

**Section 5. Remedies of Lender.**

5.1 Upon the occurrence of an Event of Default, Lender shall have the following rights and remedies, all of which are cumulative, in addition to all other rights and remedies provided under the Loan Documents, or any other agreement between Grantor and Lender, or otherwise available at law or in equity or by statute:

(a) Lender may, at any time without notice, either in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take possession and control of the Property or any part thereof, to perform all acts necessary and appropriate to operate and maintain the Property including, but not limited to, execute, cancel or modify the Leases, make repairs to the Property, execute or terminate contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Assignment, in Lender's sole discretion, and in Lender's or Grantor's name, sue for or otherwise collect such Rents from the Property as specified in this Assignment as the same become due and payable, including, but not limited to, Rents then due and unpaid; and

(b) Lender shall be deemed to be the creditor of each Tenant in respect of any assignments for the benefit of creditors and any bankruptcy, arrangement, reorganization, insolvency, dissolution, receivership or other debtor-relief proceedings affecting the Tenant (without obligation on the part of Lender, however, to file timely claims in such proceedings or otherwise pursue creditor's rights therein).

5.2 All Rents collected subsequent to the occurrence of any Event of Default shall be applied at the discretion of, and in such order as determined by, Lender to the costs, if any, of taking possession and control of and managing the Property and collecting such amounts, including, attorney's fees, receiver's 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 to the Indebtedness. 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 hereunder.

5.3 Lender shall have the right to notify all Tenants of an Event of Default and to direct the Tenants to thereafter pay all Rents to Lender, and the Lender shall be entitled to receive the Rents without appointment of a receiver or other court action. All Tenants and guarantors of Leases are hereby authorized to rely upon and comply with any notice from Lender to begin paying the Rents to Lender, and all such Rents paid to Lender shall be in satisfaction of the Tenants' obligations under the Leases, and Grantor shall have no claim against any Tenant for any such Rents paid to Lender pursuant to such notice.

5.4 If the Rents are not sufficient to meet the costs, if any, of taking possession and control of and managing the Property and collecting the same, any funds expended by Lender for such purposes shall be included as part of the Indebtedness.

5.5 Any entering upon and taking possession and control of the Property by Lender or the receiver and any application of Rents as provided herein shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender.

5.6 Grantor hereby represents and agrees that it is and will be the sole owner of the entire landlord's interest (or Tenant's interest in the case of Leases with respect to which Grantor is the Tenant) in all Leases, subject only to the Permitted Encumbrances.

**Section 6. Lease Provisions.** All Leases executed after the date of this Assignment shall contain (iv) a provision obligating the Tenant to enter into a subordination and attornment agreement with Lender in form and substance satisfactory to Lender, subordinating such Lease to the lien of the Property and (v) a provision authorizing the Tenant to pay the Rents to Lender upon notice of an Event of Default under this Assignment.

**Section 7. Release.** The assignment contained herein and all rights herein assigned to Lender shall cease and terminate as to all Leases: (i) upon the satisfaction of all Indebtedness; or (ii) upon the release of the Property subject to such Lease from the lien of the Trust Deed covering the Property pursuant to the provisions of such Trust Deed. It is expressly understood that no judgment or decree that may be entered on any Indebtedness shall operate to abrogate or lessen the effect of this Assignment, but that the same shall continue in full force and effect as herein provided. The provisions of this Assignment shall also remain in full force and effect during the pendency of any proceedings for the foreclosure and/or sale of the Property, or any part thereof, both before and after sale, until the issuance of a deed pursuant to a decree of foreclosure and/or sale, unless all Indebtedness is fully satisfied. Lender may take or release other security for the Indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of Indebtedness, without prejudice to any of its rights under this Assignment.

**Section 8. No Waiver.** Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the powers and rights granted it hereunder shall prejudice or be deemed to be a waiver by Lender of its rights and remedies under the Loan Documents. A waiver by Lender of any of its rights hereunder or under the Leases or of a breach of any of the covenants and agreements contained herein to be performed by Grantor shall not be construed as a waiver of such rights in any succeeding instance or of any succeeding breach of the same or other covenants, agreements, restrictions or conditions.

**Section 9. Further Assurances.** Grantor shall, whenever and as often as it shall be requested to do so by Lender, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, any and all such further conveyances, approvals, consents, memoranda of the subject matter hereof, duplicate originals hereof, and any and all other documents and to do any and all other acts as may be necessary or appropriate to carry out the terms of this Assignment.

**Section 10. Notices.** All notices, requests, demands and other communications given or required to be given hereunder shall be in writing and personally delivered or sent by United States registered or certified mail, return receipt requested, postage prepaid or sent by a nationally recognized courier service such as Federal Express, duly addressed to the Parties as follows:

To the Grantor : Kevin J. Landacre and Melissa K. Lyall  
Lot 174 Northwoods  
Cougar, WA 98616

To the Lender : Customers For Life, LLC  
919 SE River Forest Ct.  
Milwaukie, OR 97267

With a copy to : Christopher R. Ambrose, Esq.  
Ambrose Law Group LLC  
1670 KOIN Center  
222 SW Columbia Street  
Portland, OR 97201-6616

Any notice or other communication hereunder shall be deemed given on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery to the address of the addressee, if sent by mail or courier service (such as Federal Express). Notice may also be given by telecopier or facsimile to any party having a telecopier or facsimile machine compatible with the telecopier or facsimile machine of the party sending the notice. Any notice given by telecopier or facsimile shall be deemed delivered when received by the telecopier or facsimile machine of the receiving party if received before 5:00 p.m. (Pacific Time) on the business day received, or if received after 5:00 p.m. (Pacific Time), or if telecopied on a day other than a business day (i.e., a Saturday, Sunday or legal holiday), then such notice shall be deemed delivered on the next following business day. The transmittal confirmation receipt produced by the telecopier or facsimile machine of the sending party shall be prima facie evidence of such receipt. Any party may

change its address or telecopier or facsimile number for purposes of this Subsection by giving notice to the other party. If a "copy party" is designated, service of notice shall not be deemed given to the designated party unless and until the "copy party" is also given such notice in accordance with this Subsection.

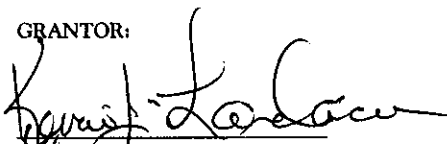
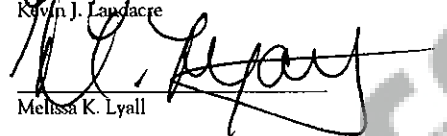
**Section 11. Governing Laws; Severability.** This Assignment shall be governed by and construed under the laws of the state where the Land is located. In case any of the provisions of this Assignment shall at any time be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable for any reason, such illegality, invalidity or unenforceability shall not affect the remaining provisions of this Assignment, and this Assignment shall be construed and enforced as if all such illegal, invalid or unenforceable provisions had never been inserted herein.

**Section 12. Assignment By Lender.** Lender shall have the right to assign Grantor's right, title and interest under this Assignment in any of the Leases to any subsequent holder of the Note or any participating interest therein or to any person acquiring title to the Property or any part thereof through foreclosure or otherwise. Any subsequent assignee shall have the rights and powers herein provided to Lender.

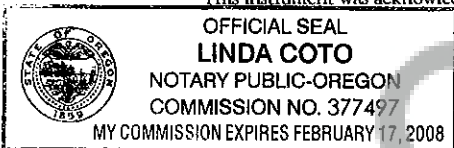
**Section 13. Successors.** This Assignment shall inure to the benefit of and be binding upon Grantor and Lender, and their respective heirs, successors, legal representatives and assigns.


IN WITNESS WHEREOF, Grantor has executed this Assignment as of the date first set for above.

GRANTOR:

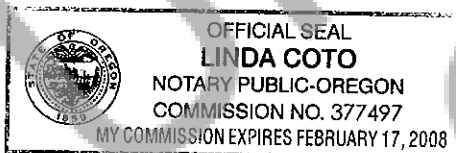
  
Kevin J. Landacre  
  
Melissa K. Lyall

This instrument was acknowledged before me on this 21<sup>st</sup> day of January, 2005, by Kevin J. Landacre.



  
Notary Public for Washington  
My Commission Expires: 2/17/08

This instrument was acknowledged before me on this 21<sup>st</sup> day of January, 2005, by Melissa K. Lyall.




  
Notary Public for Washington  
My Commission Expires: 2/17/08

EXHIBIT 'A'

PARCEL I

Lot 174, as shown on the Plat entitled Record of Survey for Water Front Recreation, Inc., dated May 16, 1974, on file and of record under Auditor File No. 77523, at Page 449, of Book 'J' of Miscellaneous Records of Skamania County, Washington, together with an appurtenant easement as established in writing on said Plat, for the joint use of the areas shown as roadway on the Plat.

Subject to reservations by the United State of America in approved selection list number 259 dated March 4, 1953, and recorded September 4, 1953, at Page 23, of Book 52 of Deed, under Auditor File No. 62114, records of Skamania County as follows:

"...the provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended...and the prior right of the Untied States, its licenses and permittees to use for power purposes that part withing Power Project No. 2071, 2111 and 264."