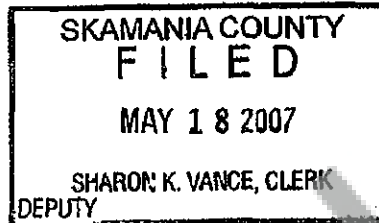


Return Address: David Hercher  
Miller Nash LLP  
3400 U.S. Bancorp Tower  
111 S.W. Fifth Avenue  
Portland, Washington 97204-3699

Doc # 2007166329  
Page 1 of 19  
Date: 06/01/2007 11:00A  
Filed by: MILLER NASH LLP  
Filed & Recorded in Official Records  
of SKAMANIA COUNTY  
SKAMANIA COUNTY AUDITOR  
J MICHAEL GARVISON  
Fee: \$50.00

**AUDITOR/RECORDER'S INDEXING FORM**

Document Title(s):	1. Foreign Judgment
Reference Number(s) of Documents assigned or released:	
Grantor(s):	1. Toni Reed Delao, dba Toni's Cut & Style 2. Toni Reed Delao 3. Raymond Delao
<input type="checkbox"/> Additional names on page _____ of document	
Grantee(s):	1. NetBank Business Finance
<input type="checkbox"/> Additional names on page _____ of document	
Legal Description):	
<input type="checkbox"/> Additional legal is on page _____ of document	
Assessor's Property Tax Parcel/Account Number:	



7 SUPERIOR COURT OF WASHINGTON FOR SKAMANIA COUNTY

8 NETBANK BUSINESS FINANCE,

9 Plaintiff,

10 v.

11 TONI REED DELAO, individual, dba Toni's  
12 Cut & Style, TONI REED DELAO and  
RAYMOND DELAO, individually,

13 Defendants.

Case No. 07 2 00083 8

FOREIGN JUDGMENT

07.9.00098.1

14 JUDGMENT SUMMARY

15

Judgment Creditor:	NetBank Business Finance
Attorneys for Judgment Creditor:	David W. Hercher and Miller Nash LLP
Judgment Debtors:	Toni Reed Delao, dba Toni's Cut & Style, and Toni Reed Delao and Raymond Delao, individually
Judgment Amount (Principal) Against Defendants:	\$66,131.11 (amount to bear interest at \$28.58 per day from March 24, 2007, until paid in full)
Costs Taxable Upon Filing of Judgment in Washington:	\$200.00 (amount to bear interest at 12% per annum filing of judgment in Washington until paid in full under RCW 4.56.110(3) and RCW 19.52.020(1))
Post-Judgment Attorney Fees and Costs	Attorney fees and costs incurred on and after April 9, 2007, to register or enforce judgment
Total Judgment Against Defendants	\$66,331.11
Filing Date of Judgment in South Carolina:	September 15, 2006
Expiration Date of Judgment in South Carolina:	September 15, 2016 (subject to renewal for five years in South Carolina)

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FOREIGN JUDGMENT - 1

PDXDOCS:1547267.1

MILLER NASH LLP  
ATTORNEYS AT LAW  
TELEPHONE (503) 224-3858  
3400 U.S. BANCORP TOWER  
111 S.W. FIFTH AVENUE, PORTLAND, OREGON 97204-3699

DOC # 2007166329  
Page 2 of 19

1 **JUDGMENT**

2 Attached is a copy of the judgment entered by the Court of Common Pleas in  
3 Lexington County, South Carolina, Case No. 2006-CP-32-3310, entered on September 15, 2006,  
4 authenticated in accordance with applicable law.

5 DATED this 17th day of May, 2007.

6 MILLER NASH LLP

7 

8 David W. Hercher  
9 WSB No. 21946  
10 Telephone: (503) 205-2628  
11 Fax: (503) 206-8618  
12 dave.hercher@millernash.com

13 Attorneys for Plaintiff, NetBank  
14 Business Finance  
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FOREIGN JUDGMENT - 2

PDXDOCS:1547267.1

MILLER NASH LLP  
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TELEPHONE (503) 224-3133  
3400 U.S. BANK OF AMERICA TOWER  
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MC # 2007166329  
Page 3 of 19

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON )

IN THE COURT OF COMMON PLEAS  
Civil Action No.: 2006-CP-32-3310

NetBank Business Finance,  
Plaintiff

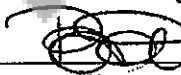
-vs-

Toni Reed Delao, Individual, d/b/a Toni's  
Cut & Style, Toni Reed Delao and  
Raymond Delao, Individually,  
Defendants.

**EXEMPLIFIED COPY OF JUDGMENT**

I, Beth A. Carrigg, Clerk of Common Pleas and General Sessions Court of Lexington County, South Carolina, do hereby certify that the foregoing is a full, true and correct copy of the **Confession of Judgment and Attorney's Affidavit and Addendum to Confession of Judgment** in the above-styled case, as appears of record in my office.


IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Court aforesaid, at the city of Lexington, this 28 day of March, 2007.

 Clerk

I, James W. Johnson Jr., Judge of the Court of Common Pleas in the state and county aforesaid, do certify that Beth A. Carrigg, who has signed the foregoing certificate, is and was at the time of same, Clerk of said Court, duly elected and qualified; that all her official acts as such are entitled to full faith and credit, and that her foregoing attestation is in due form of law.

GIVEN UNDER MY HAND, at the City of Lexington

This 2 day of April, 2007.

 Judge

I, Beth A. Carrigg, Clerk of the Court of Common Pleas in the State and County aforesaid, do certify that James W. Johnson Jr., Judge who signed the foregoing certificate, is and was at the time of signing same, Judge of said Court, duly elected and qualified; that all of his/her official acts as such are entitled to full faith and credit, and that his/her foregoing attestation is in due form of law.

GIVEN UNDER MY HAND, at the City of Lexington.

This 5<sup>th</sup> day of April, 2007.

 Clerk.

COPY

B.9

FILED

IMAGED

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF LEXINGTON 2006 SEP 15 A 10:10

NetBank Business Finance

Plaintiff

BETH A. CARRIGG  
CLERK OF COURT  
LEXINGTON SC

Vs.

CONFESSON OF JUDGEMENT ON

Toni Reed Delao, Individual  
dba Toni's Cut & Style,

LEASE AGREEMENT NUMBER 30729

Toni Reed Delao  
and  
Raymond Delao, Individually

2006-CP32-3310

Defendants

We, Toni Reed Delao and Raymond Delao, Individually, and Toni Reed Delao, Individual dba Toni's Cut & Style, Lessee, do hereby confess judgement in favor of NetBank Business Finance for the sum of \$60,374.00 lawful money of the United States and authorize judgement to be entered against us upon our failure to meet the conditions outlined as follows and in the above referenced agreement, between NetBank Business Finance, as Assignee, and Toni Reed Delao and Raymond Delao, Individually as Personal Guarantors, and Toni Reed Delao, Individual dba Toni's Cut & Style, as Lessee, copies of which are attached hereto and incorporated herein by reference. Regular monthly payments in the amount of \$550.00 plus applicable sales tax will commence on March 10, 2006 for 3 consecutive months. Then, regular monthly payments in the amount of \$1,108.00 plus applicable sales tax will commence on June 10, 2006 for 53 consecutive months. When the total amount owed has been received, the terms

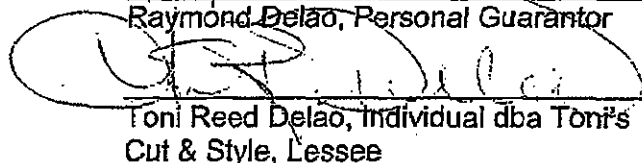
of your purchase of the equipment (or its return) will be negotiated in accordance with the Agreement (if applicable). Should any payment be in default for more than ten (10) days, after the date on which it is due, NetBank Business Finance will send by certified mail to Toni Reed Delao and Raymond Delao, Individually as Personal Guarantors, and Toni Reed Delao, Individual dba Toni's Cut & Style, as Lessee, a Notice of Default. Should the Default still exist ten days from the date of the notice, NetBank Business Finance may enter and record the Confession of Judgement in the Records of Clerk of Court of Lexington County and such other counties as NetBank Business Finance chooses, against Toni Reed Delao and Raymond Delao, Individually as Personal Guarantors, and Toni Reed Delao, Individual dba Toni's Cut & Style, as Lessee. NetBank Business Finance will proceed to collect the balance due plus legal fees and interest according to the laws and statutes of the State of South Carolina. Plaintiff shall file therewith by sworn Affidavit an accounting for any sums paid and the balance due.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this

14<sup>th</sup> day of March, 2007

  
Toni Reed Delao, Personal Guarantor

  
Raymond Delao, Personal Guarantor

  
Toni Reed Delao, Individual dba Toni's Cut & Style, Lessee

COPY

COPY

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON )

NetBank Business Finance )

Plaintiff, )

vs. )

Toni Reed Delao, Individual, d/b/a )  
Toni's Cut & Style, Toni Reed Delao )  
and Raymond Delao, Individually, )  
Defendants. )

IN THE COURT OF COMMON PLEAS  
FOR THE ELEVENTH JUDICIAL CIRCUIT

Civil Action No.: 2006-CP-32-3310

FILED  
2007 APR -9 A 9:41

BETH A. CARRIGG  
CLERK OF COURT  
LEXINGTON SC

**ATTORNEY'S AFFIDAVIT AND ADDENDUM  
TO CONFESSION OF JUDGMENT  
LEASE AGREEMENT NUMBER 30729**

PERSONALLY appeared before me Carey M. Ayer, who being first duly sworn, says that he is attorney for the Plaintiff NetBank Business Finance in the captioned action; that the original sum of **Sixty-Thousand, Three Hundred Seventy-four and 00/100 (\$60,374.00) Dollars** has been paid down; however with interest from June 10, 2006 until March 23, 2007 the present amount of the judgment is now **Sixty-six Thousand, One Hundred Thirty-one and 11/100 (\$66,131.11) Dollars** with a per diem of **Twenty-eight and 58/100 (\$28.58) Dollars**.

SWORN to before me this 27<sup>th</sup>

Day of March, 2007.

Carole R. Murphy (L. S.)  
Notary Public of South Carolina

My commission expires: **Carole R. Murphy**  
**My Commission Expires:**  
**July 13, 2010**

By: Carey M. Ayer  
Carey M. Ayer  
Nicholson, Davis, Frawley, Anderson & Ayer,  
140 East Main Street, Post Office Box 489  
Lexington, South Carolina 29072  
Phone No.: (803) 359-2512  
ATTORNEYS FOR THE PLAINTIFF  
NETBANK BUSINESS FINANCE

# ACCOUNT VERIFICATION

Lessee:  
Lease #:

TONI REED DELAO dba TONIS CUT AND STYLE  
30729

	AMOUNT DUE	AMOUNT RECEIVED	AMOUNT REMAINING
Lease Rent Payments	\$1,650.00	\$1,650.00	\$0.00
Lease Rent Payments	\$58,724.00	\$0.00	\$58,724.00
Partial Payment	\$0.00	\$0.00	\$0.00
NSF Checks	\$0.00	\$0.00	\$0.00
Sales Tax	\$0.00	\$0.00	\$0.00
Late Charges	\$0.00	\$0.00	\$0.00
Security Deposit	\$1,100.58	\$1,100.58	-\$768.18
Purchase Option	\$1.00	\$0.00	\$1.00
Cost of Reps/Storage/Sale	\$0.00	\$0.00	\$0.00
Ins/Prop Tax/NSF Fees	\$0.00	\$0.00	\$0.00

Amount Owed Upon Default \$57,656.82

Interest from: 10 Jun 2006  
to: 23 Mar 2007 \$8,174.28

Amount Owed (Including Interest) \$65,131.11

Attorney's Fee (15% of Amount Owed) \$9,918.67

Total Amount Owed As Of: 23 Mar 2007 \$76,050.78

Per Diem Interest on Amount Owed Upon Default \$28.58



**ADDENDUM TO AMEND**

The Agreement between:

Lessor/Secured Party: Tommel Financial Services, Inc. andLessee/Debtor: Toni Reed Delao, Individual DBA Toni's Cut & Style

The above referenced Lessor/Secured Party and Lessee/Debtor have entered into the above referenced lease, finance, or note and security Agreement ("Agreement") for the equipment/ collateral under terms more fully described in said Agreement. In recognition of the inaccuracy of certain terms of such Agreement, the parties hereby wish to amend said Lease Agreement as set forth below:

1. The name of the Lessee/Debtor shall be amended to: \_\_\_\_\_
2. The exact description of the equipment/ collateral shall be amended to: \_\_\_\_\_
3. Terms of payment shall be amended to:  
 Number of Payments: \_\_\_\_\_ Monthly Payment: \$ 1,100.58  
 Security Deposit: \$1,100.58 Amount due with Agreement: \$ 2,201.16
4. Type of End of Lease Purchase Option shall be amended to: \_\_\_\_\_
5. Amount of End of Lease Purchase Option/ Required Balloon Payment: \$ \_\_\_\_\_
6. Other: \$46,763.28 Transaction Amount

By signing this Addendum, Lessee/Debtor acknowledges the above changes to the Agreement and authorizes Lessor/Secured Party to make such changes.

Lessee/Debtor: \_\_\_\_\_

Toni Reed Delao Signature Toni Reed Delao Print Name Owner Title 9/27/05 Date

**GUARANTOR'S ACKNOWLEDGEMENT**

The undersigned Guarantor(s) acknowledges and consents to the terms and conditions of this Authorization and acknowledges that the undersigned's guaranty of the obligations evidenced by the Agreement and this Addendum remain in full force and effect.

Toni Reed Delao Guarantor Signature Toni Reed Delao, Owner Print Name 9/27/05 Date

Raymond Delao Guarantor Signature Raymond Delao, Guarantor Print Name 9/27/05 Date

\_\_\_\_\_  
 Guarantor Signature \_\_\_\_\_  
 \_\_\_\_\_  
 Print Name \_\_\_\_\_  
 \_\_\_\_\_  
 Date \_\_\_\_\_

\_\_\_\_\_  
 Guarantor Signature \_\_\_\_\_  
 \_\_\_\_\_  
 Print Name \_\_\_\_\_  
 \_\_\_\_\_  
 Date \_\_\_\_\_

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.0030729

**Tommel Financial Services, Inc.**

4 South 100 Route 59, STE 1

Naperville IL 60563

Tel 630-416-3200 Fax 630-416-3499

**MASTER LEASE AGREEMENT  
THIS LEASE CANNOT BE CANCELLED**

Lease No. \_\_\_\_\_

Page 1 of 3

**TERMS AND CONDITIONS****PLEASE READ CAREFULLY BEFORE SIGNING**

1. **LEASE.** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all items of equipment (individually, an "Item" and collectively, the "Equipment") described on Schedule A under the terms set forth herein. The term ("Term") of the Lease commences on the date the Acknowledgement of Delivery and Acceptance ("Acknowledgement") is signed by Lessee and ends, unless terminated as provided herein, at the end of the Initial Term. Lessee shall pay all rent ("Rent") hereunder in advance, plus applicable taxes, on the date specified by Lessor. This Lease is a "finance lease" and not a "consumer lease" as defined in the Uniform Commercial Code ("UCC"). Lessee will use the Equipment only for business purposes consistent with the terms hereof.

2. **EQUIPMENT.** SEE SCHEDULE "A". Lessee agrees that (1) It has selected the Equipment and Supplier; (2) neither Lessor nor any broker is the agent or affiliate of the Supplier and the Supplier and its salesmen are not Lessor's agents or affiliates; (3) the Equipment is leased "AS IS" and Lessor is not responsible for any failure of any item to function properly or to conform to Lessee's needs; (4) Lessee will only accept each item when it functions as desired and Lessee's execution of Acknowledgement is conclusive evidence of full inspection by Lessee and Lessee's agreement that this Lease is non-cancellable as to such item. Lessee waives any defense, counterclaim or right of offset it may have arising by reason of any alleged defect in any item or related property. Equipment will at all times remain personal property owned solely by Lessor.

**LESSOR DISCLAIMS ANY REPRESENTATION OR WARRANTY OF ANY KIND AS TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR LESSEE'S PARTICULAR PURPOSE.**

**SEE PAGES 2 AND 3 AND EXHIBIT "A" FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE MADE A PART HEREOF. ONCE SIGNED, LESSEE MAY NOT CANCEL THE LEASE OR RETURN THE EQUIPMENT UNTIL THE END OF THE TERM.**

I am authorized to sign this Lease on behalf of Lessee (or I am the sole proprietor doing business as the Lessee). I have read this Lease and discussed it with counsel to the extent I believe necessary and, on behalf of Lessee, I acknowledge that **THIS LEASE CONTAINS THE ENTIRE AGREEMENT OF LESSOR AND LESSEE AND MAY NOT BE ALTERED EXCEPT IN A WRITING SIGNED BY LESSOR.**

Lessee: Toni Reed Delao, Individual DBA Toni's Cut & StyleAddress: 73 NW First Street Stevenson, WA 98648Billing Contact: Toni Reed DelaoTel: 360-909-3478

E-mail: \_\_\_\_\_

Signature: Toni Reed Delao

Print Name

Owner

Title

Date

**APPLICABLE LAW; JURISDICTION AND VENUE.** Lessee hereby acknowledges that this Lease was entered into in the State of South Carolina, County of Lexington, and that the parties have agreed to the terms of this Lease with the understanding that any action or proceeding regarding this Lease or the Equipment shall be maintained in the state or federal courts in Lexington, SC and Lessee hereby submits to jurisdiction and venue in Lexington, SC, waiving any claim of improper jurisdiction or venue or forum non conveniens and agreeing to accept service at Lessee's place of business in any such action. This Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of South Carolina, applied without giving effect to conflict-of-laws principles, except that UCC Article 2A shall apply whether or not adopted by such state.

ACCEPTED BY LESSOR Tommel Financial Services, Inc.By: Thomas P. Kelly, PresidentIts: PresidentDate: 4/22/05

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4/18/2005

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SCHEDULE OF RENTAL PAYMENTS	
INITIAL TERM OF LEASE IN MONTHS	60
TOTAL NUMBER OF RENTAL PAYMENTS	60
END OF LEASE PURCHASE OPTION	\$1.00
RENT (PLUS TAXES)	1 - 60 @ 1,028.58
1ST MONTHS RENT	1,028.58
SECURITY DEPOSIT	1,028.58
AMOUNT DUE WITH LEASE	2,057.16

3. **LESSEE'S DUTIES.** Lessee will keep all items free and clear of all liens, encumbrances and security interests at Lessee's sole cost and expense. Lessee will indemnify and hold Lessor harmless from and against any and all claims, lawsuits, actions, penalties, expenses and liabilities (including, without limitation, negligence, strict liability, patent, copyright, trademark, and tort claims) in any way arising with respect to this Lease or any item. Lessee will pay as directed by Lessor or reimburse Lessor for all license and registration fees, property, stamp, intangibles, excise, ad valorem and other fees or taxes in any way arising with respect to this Lease or any item during the Term. Lessor shall not be obligated to contest any such fee or tax. Lessee's obligations hereunder shall survive expiration or termination of the Term.

DOC # 2007166329  
Page 10 of 19

**TERMS AND CONDITIONS OF LEASE NO.**

Page 2 of 3

4. **RETURN.** Unless Lessee purchases Equipment as provided in Section 9, upon expiration or termination of the Term, Lessee shall at its sole cost, (a) place the Equipment in the condition required by Section 13 and in as good condition as when received, less normal wear and tear and (b) cause the Equipment to be properly disconnected, crated and shipped, insured as required under Section 14, to a location and by a carrier designated by Lessor. Should Lessee fail to comply fully with this Section, Lessee shall continue to pay Rent hereunder, such noncompliance to constitute an event of default hereunder, irrespective of such Rent payments.

5. **ASSIGNMENT. LESSEE MAY NOT PLEDGE, CANCEL, REVOKE, OR ASSIGN THIS LEASE OR SUBLEASE, ABANDON OR TRANSFER POSSESSION OF ANY ITEM** or any of its rights herein or in the Equipment, any attempted breach of this Section constituting a default hereunder. Lessor reserves the right, without notice to or consent of Lessee, to assign, mortgage, pledge or otherwise transfer any of this rights in this Lease or any item and Lessee shall (upon notice) render all performance hereunder to such transferee, who shall be entitled to all rights and benefits assigned to it by Lessor, but under no obligation to Lessee.

6. **LATE FEES; RIGHT TO PERFORM.** If Lessor does not receive Rent or any other amount due hereunder within five (5) days after the date due hereunder, Lessee shall pay to Lessor (in addition to such Rent or other payment) a late fee of ten percent (10%) of such Rent or other payment. If Lessor refers any collection or other enforcement of this Lease to counsel, Lessee shall reimburse Lessor for all fees and costs, together with interest at eighteen percent (18%) per annum ("the Contract Rate"). If Lessee shall fail to carry any insurance, pay any tax, or render any other performance hereunder, Lessor, at its sole option and without obligation, may do so. If Lessee agrees, but fails to make rent payments via mandatory ACH or cause such ACH processes to be discontinued, each payment will be increased by a service fee of \$10.00 per payment. On demand, Lessee shall reimburse Lessor for all costs incurred hereunder together with interest at the Contract Rate.

7. **DEFAULT.** Lessee shall be in default if: (a) Lessee shall fail to make any payment due under the terms of this Lease for a period of 10 days from the due date thereof; or (b) Lessee shall fail to observe, keep or perform any other provision of this Lease, and such failure shall continue for a period of 10 days; or (c) Lessee has made any misleading or false statement, or representation in connection with application for or performance of this Lease; or (d) the Equipment or any part thereof shall be subject to any lien, levy, seizure, assignment, transfer, bulk transfer, encumbrance, application, attachment, execution, sublease, or sale without prior written consent of Lessor, or if Lessee shall abandon the Equipment or permit any other entity or person to use Equipment without the prior written consent of Lessor; or (e) Lessee dies or ceases to exist; or (f) Lessee changes its name, state of incorporation, chief executive office, and/or place of residence without providing Lessor with 30 days written notice of such change; or (g) Lessee defaults on any other agreement it has with Lessor; or (h) any guarantor of this Lease defaults on any obligation to the Lessor, or any of the above listed events of default occur with respect to any guarantor or any such guarantor files or has filed against it a petition under bankruptcy laws.

8. **REMEDIES.** Upon the occurrence of an event of default and at any time thereafter, Lessor may in its sole discretion, do any one or more of the following: (a) terminate this Lease and recover the Equipment; (b) declare immediately due and payable all sums due and to

become due hereunder for the full Term; (c) with or without terminating this Lease, recover from Lessee as liquidated damages and not as a penalty, the sum of (1) any accrued and unpaid Rent as of the date of entry of judgement in favor of Lessor plus interest at the Contract Rate; (2) the present value of all future Rents discounted at a rate equal to the discount rate of the Federal Reserve Bank of Atlanta as of the date of entry of judgement in favor of Lessor; (3) all costs and expenses incurred by Lessor in any repossession, recovery, storage, repair, sale, lease, or other disposition of the Equipment including attorneys' fees and costs ("Recovery Costs"); (4) Lessor's estimate of the residual value of the Equipment; and (5) any indemnity, if then determinable, plus interest at the Contract Rate; (d) in its sole discretion, lease or sell any item at a public or private sale on such terms and notice as Lessor shall deem reasonable and recover from Lessee any liquidated damages and not as a penalty, the amount described in clause (c) of this Section, reduced by the amount received by Lessor upon such public or private sale or lease of such item, if any; and/or (e) exercise any other right or remedy which may be available to it under the UCC or any other applicable law. A termination hereunder shall occur only upon notice by Lessor and only as to such items as Lessor specifically elects to terminate and this Lease shall continue in full force and effect as to the remaining terms, if any. No remedy referred to in this Section is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to above or available to Lessor at law or in equity.

9. **OPTION TO PURCHASE.** If Lessee is not in default hereunder and this Lease has not been previously terminated, Lessee may purchase all of the Equipment upon expiration of the Term upon thirty (30) days prior written notice to Lessor for the amount shown as the "End of Lease Purchase Option" above plus any applicable tax or, if no End of Lease Purchase Option is shown, for the Fair Market Value, plus applicable taxes on the basis of and be equal to an amount which would be paid by an informed and willing buyer and accepted by a seller, under no compulsion to sell, in an arms-length transaction assuming such items are in the condition required by this Lease and are sold at retail.

10. **SECURITY DEPOSIT.** The Security Deposit stated above has been deposited with Lessor as security for full performance of all of the terms and conditions of this Lease. Unless such fee is remitted by Lessee at Lease inception, Lessor shall deduct from the Security Deposit a non-refundable document filing fee of one-hundred and twenty-five dollars for non-titled equipment and three hundred dollars for titled equipment. Lessor may, but shall not be required to apply all or any portion of the Security Deposit to any obligation of Lessee hereunder. The Security Deposit may be commingled by Lessor with other funds and shall not bear interest. If the Lessor applies the Security Deposit to Lessee's obligations hereunder, Lessee shall immediately restore same. Upon Lessee's full performance of all terms and conditions of this Lease, Lessor shall return any remaining Security Deposit to Lessee.

11. **LESSEE WAIVERS.** Lessee, to the extent permitted by applicable law, HEREBY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING HEREUNDER OR IN ANY WAY CONNECTED WITH THIS LEASE OR THE EQUIPMENT. As this Lease has been drafted by Lessor's counsel as a convenience to the parties and Lessee has had the opportunity to review it with counsel of its choice, this Lease shall not be construed against any party by reason of draftsmanship. LESSEE FURTHER WAIVES AND RELEASES ANY RIGHTS AND REMEDIES CONFERRED UPON LESSEES BY



SECTIONS 2A-508 THROUGH 2A-522 OF THE UCC OR ANY SIMILAR LAWS, including, without limitation, any right to cancel or repudiate this Lease, reject or revoke acceptance of the Equipment, or assert any claim for damages or security interest in any of the Equipment.

**12. MISCELLANEOUS.** This Lease shall only be valid when accepted in writing by Lessor at its home office. If, contrary to the parties' intention, this Lease is held to create a security interest in any Item, Rent for such Item shall be reduced so that any interest portion is the highest rate permitted by applicable law. All interest due hereunder shall be reduced, if required by a court of valid jurisdiction, to equal the highest rate permitted by applicable law, provided, Lessee waives, to the extent permitted by law, the right to seek such reduction. No forbearance or delay by Lessor shall be deemed to create a waiver or course of dealing between the parties. Lessee hereby adopts the typed version of its name, inserted by Lessor in any financing statement, or related continuation, termination or amendment filed by Lessor in connection herewith. Lessee authorizes Lessor to execute, endorse or otherwise sign any such financing statement or any other document or instrument necessary to protect or preserve Lessor's interest herein, in the Equipment or in any insurance or other proceeds of the Equipment. Nothing herein shall imply that Lessor is a "merchant" under the UCC. The provisions of the Agreement shall be severable and if any provision shall be invalid, void, or unenforceable in whole or in part for any reason, the remaining provisions shall remain in full force and effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns (subject nevertheless to restrictions provided in Section 5).

**13. USE; MAINTENANCE.** Lessee will not move any Item from the location specified above without Lessor's prior written consent. Lessor may inspect the Equipment at any time during normal business hours. Lessee will, at its own expense (a) use and maintain the Equipment only in accordance with applicable law, insurance requirements and operating manuals and instructions, (b) keep the Equipment in good working order and condition and (c) make all modifications required by applicable law, operating instructions or requirements of any insurer or maintenance organization servicing the Equipment. Lessee will not modify or alter any Item without Lessor's prior written consent excepting regular maintenance, ownership of all repair or replacement parts being automatically transferred to Lessor. Any property attached to any Item shall automatically become Lessor's property unless removable without damage or loss of value to such Item.

**14. LOSS; DAMAGE.** Lessee assumes the entire risk of loss (including, without limitation, theft or requisition) or destruction of the Equipment or damage to the Equipment from any cause whatsoever, whether or not insured until the Equipment is delivered to Lessor under Section 4. In the event of any loss, damage or destruction as to any Item, Lessee will immediately notify Lessor and Lessee's insurer in writing. No such loss, damage or destruction will relieve Lessee of its duties hereunder or end the Term. At Lessor's option, Lessee will either (a) repair such Item, (b) replace such item with equipment of like value and utility acceptable to Lessor, or (c) pay to Lessor an amount, reasonably calculated by Lessor (without regard to insurance) to give Lessor all of the benefits of its ownership of such Item and amounts payable hereunder but for such loss, destruction or damage.

**15. INSURANCE.** Lessee will keep the Equipment insured against all risks in amounts specified by Lessor from time-to-time but in no event less than the greater of replacement value or the total of all Rents for the full Term. Lessee will at all times carry commercial liability insurance in amounts specified by Lessor. In the event that Lessee does not provide proof that such property insurance is maintained, Lessor may, at its sole discretion; (a) elect to obtain insurance, in which event Lessee agrees to pay to Lessor a monthly insurance charge which includes all related premiums, interest, charges, fees and profit to Lessor and its agents for providing such coverage, or (b) elect to charge Lessee a non-insured fee, in which event Lessee agrees to pay to Lessor monthly a non-insured fee equal to five (5%) percent of each monthly payment. All insurance shall be in form, amounts and with insurance companies satisfactory to Lessor, who may on reasonable notice require Lessee to change such form, amount or company. Lessor shall be named loss payee on all property damage insurance and additional insured on all liability insurance provided hereunder and shall have the right to acceptable certificates or other evidence of insurance at any time, together with standard lender/lessor waivers of premium, subrogation and cancellations. Insurance proceeds shall be applied first to Lessee's obligations in Sections 6 and 7, then to Lessee's other obligation hereunder. Lessee agrees that any dispute regarding insurance charges may be arbitrated by the American Arbitration Association in Lexington, South Carolina.

**16. SOFTWARE.** If any of the Equipment includes computer software, Lessor will only finance Lessee's cost to purchase or license the software. Lessor will not be a party to any related license agreement. In all other respects the software will be treated as an Item.

0030725

# ACKNOWLEDGEMENT OF DELIVERY AND ACCEPTANCE

For the Master Lease Agreement between:

Lessor: Tommel Financial Services, Inc., and

Lessee: Toni Reed Delao, Individual DBA Toni's Cut & Style

## ACKNOWLEDGEMENT OF DELIVERY AND ACCEPTANCE:

On behalf of the Lessee, I hereby state: (1) I am authorized to sign this Acknowledgement; (2) all Items of Equipment have been delivered in a satisfactory manner, are in good condition and working order, are satisfactory in all respects and are HEREBY ACCEPTED; (3) the Lessor may rely on these representations (which may be confirmed orally) in making full payment to the Supplier; and (4) the Lease commences on the Date of Acceptance shown below and is now NON-CANCELLABLE, ABSOLUTE, and IRREVOCABLE, the Lessee waiving any right it might have to return any Item for any reason except as expressly provided in the Lease at the end of the Term.

(Signature)  
Signature

Toni Reed Delao  
Print Name

Owner  
Title

4/22/05  
Date

I hereby authorize, in my absence, Suzanne Reed to orally verify my permission to pay

**SCHEDULE "A" Equipment**  
**For the Agreement Between:**

Lessor: Tommel Financial Services, Inc. and,

Lessee: Toni Reed Delao, Individual DBA Toni's Cut & Style

Location: 73 NW First Street

Stevenson  
City

WA  
State

98648  
ZIP

Quantity	Description
1	Archways styling station for three Serial Number:
2	Futura dryer chair with dryer Serial Number:
6	Grason styling chair Serial Number:
2	Altera pedi spas Serial Number:
2	Solace pedicurists chair Serial Number:
2	Bradford II manicure table with ball/ claw/ dentil Serial Number:
1	Butterfly hair processor Serial Number:
6	3x5 Reflex mat double thick semi circle Serial Number:
1	Sonoma massage table Serial Number:
1	Deluxe headrest for sonoma Serial Number:
1	Avila package Serial Number:
1	Bradford L shaped desk Serial Number:
1	Bradford retail display Serial Number:
1	Bradford retail display Serial Number:
1	Double wavw waterfall Serial Number:

.0030729

- 1 Tower wave waterfall  
Serial Number:
- 1 Montego Bay Cobra EX Black  
Serial Number:

Unofficial Copy

This Equipment Schedule is attached and made part of the above referenced Agreement and constitutes a true and accurate description of the Equipment.

  
Signature

Toni Reed Delao  
Print Name

Owner  
Title

4/20/05  
Date

**GUARANTY**  
of the Agreement between:

Lessor/Secured Party: Tommel Financial Services, Inc.

Lessee/Debtor: Toni Reed Delao, Individual DBA Toni's Cut & Style

I have an interest, financial or otherwise in the Lessee/Debtor, have read the Agreement, and understand that the Lessor/Secured Party is unwilling to enter the Agreement without my Guaranty. I individually, personally, absolutely and unconditionally guaranty all payments and other obligations owed to the Lessor/Secured Party under this Agreement. I understand that my obligations hereunder are joint and several with any other guarantors hereto.

I agree that the Lessor/Secured Party may proceed directly against me without notice of acceleration or notice of default and without first proceeding against the Lessee/Debtor, the Equipment or collateral, if any, or other Guarantors. I agree that the Lessor/Secured Party may renew, extend, accelerate or otherwise change any of the payment or other terms of the Agreement without limitation, and I will still be responsible for all obligations not performed by the Lessee/Debtor and or by any successor or assignee of the Lessee/Debtor. I waive the right of exoneration and subrogation and understand that my liability hereunder shall continue irrespective of any breach or default of any kind by the Lessee/Debtor. I understand that some or all of the Equipment or collateral, if any, may not be delivered to the Lessee/Debtor until sometime after the Effective Date.

Without limiting your right to bring action against me in courts of other jurisdictions, I consent to the jurisdiction of the courts located in Lexington County, South Carolina for the resolution of all disputes arising under the Agreement or this Guaranty. I expressly waive any right to trial by jury in any action between us.

By signing below, I authorize Lessor/Secured Party, its designee, assigns or potential assigns, to review my personal credit profile provided by a national credit bureau for the purpose of update, renewal, extension of credit or the collection of any resultant accounts. A photocopy or fax of this authorization shall be valid as the original.

IN WITNESS WHEREOF, the undersigned Guarantor(s) has/have executed this Guaranty:

(Signature of Toni Reed Delao)  
Signature of Guarantor

Toni Reed Delao, Owner  
Print Name

4/25/05  
Date

(Signature of Raymond D. Delao)  
Signature of Guarantor

Raymond Delao, Guarantor  
Print Name

4/20/05  
Date

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



# SEPARATE ASSIGNMENT OF LEASE

In accordance with the terms and conditions of the Master Assignment of Lease Agreement (the "Master Assignment") between the undersigned "Broker" and NetBank Business Finance, which agreement is incorporated herein by reference, Lessor hereby sells, assigns, transfers, and sets over unto NetBank its successors and assigns, all of its right, title and interest in and to the Lease described below and the Equipment described therein and all documents and schedules connected with the Lease, all rental and other payments due thereunder, as specified below, and all rights and remedies therein, including the right to collect rental and other payments due thereunder, to repossess the property in the event of a default by the Obligor, and the right, either in NetBank's own name or in the name of Lessor, to take such legal proceedings or otherwise as undersigned might have taken save for this assignment. Terms not otherwise defined herein, shall have the meanings given in the Master Assignment.

## The Lease:

Lessee/Debtor Toni Reed Delao, Individual DBA Toni's Cut & Style

At Lease inception, Equipment was: NEW XX ; USED \_\_\_\_\_  
 Number of monthly payments assigned: \_\_\_\_\_ 60  
 Monthly payment amount: \$ \_\_\_\_\_ 1-60@ 1,100.58  
 Total Lease Receivable: (Exclusive of Purchase Option): \$ \_\_\_\_\_ 66,034.80  
 Purchase Option on Lease: \_\_\_\_\_ \$1.00  
 Is Purchase Option Assigned to NetBank? \_\_\_\_\_ Yes  
 Total amount paid to Lessor for Lease: \$ \_\_\_\_\_ 32,374.69  
 114314.11

**Repurchase Amount:** All unpaid monthly payments and the Purchase Option ("Residual") price, unless such Residual was excluded from this Separate Assignment, discounted to present value at a discount rate of 8.0 percent per annum, plus such other amounts as are set forth in the Master Assignment.

If the Purchase Option ("Residual") price was excluded from this assignment, NetBank will, upon receipt in full of all monthly installments and all other amounts due under the Lease, reassign the Lease to Lessor so long as the Lessor is not in default under the Master Assignment or Broker Agreement.

ACCEPTED

LESSOR: Tommet Financial Services, Inc.

Thomas P. Kelly Signature Thomas P. Kelly Print Name President Title 4/29/05 Date

NETBANK BUSINESS FINANCE:

.0030729

Paula M. Murty Signature Paula M. Murty Print Name Branch Manager Title 05/02/05 Date

## PAYMENT AUTHORIZATION

### LESSEE NAME & ADDRESS:

Toni's Cut and Style

73 NW First Street

Stevenson, WA 98648

### TO WHOM IT MAY CONCERN:

This letter will certify that two credit card Transactions totaling \$5,500.00 on the account Toni Delao has been given to PC Marketing ("Vendor") in the amount of \$2,000.00, and Salon Equipment.com ("Vendor") in the amount of \$3,500.00. I therefore authorize Tommel Financial Services, Inc. ("Lessor") to apply \$5,500.00 of the proceeds to our lease in the following manner:

1. \$2,526.16 to paid to Tommel Financial Services, to be applied as the first payment, security deposit, and documentation fee.
2. \$2,973.84 paid to me after all other proceeds of the Lease have been distributed to the remaining vendors.

LESSEE: Toni Reed Delao, Individual dba Toni's Cut and Style

By:   
Toni Reed Delao, Owner

0030729

Unofficial Copy

State of Washington  
County of Skamania

I Sharon K. Vance, County Clerk of the Superior Court of Skamania County, Washington, DO HEREBY CERTIFY that this instrument consists of 12 page(s), is a true and correct copy of the original now on file and of record in my office and, as County Clerk, I am the legal custodian thereof.

Signed and sealed at Stevenson, Washington  
this date 05-24-2007 Sharon K. Vance  
Sharon K. Vance County Clerk  
by Jalena A. [Signature] Deputy