



200210250190

Skagit County Auditor

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When Recorded, return to:
CLS Financial Services, LLC
4720 - 200th St. S.W. #200
Lynnwood, WA 98036

ISLAND TITLE CO.

C24244

ASSIGNMENT OF RENTS AND LEASES

Grantor/Borrower: Bowman, Erik L. and Dulcie A. Bowman
Grantee/Assignee/Beneficiary: CLS Financial Services, LLC, a Washington limited liability company
Abbreviated Legal Description: ~~PTN-NW~~ SW, Sec. 3, T34N, R2EWM * SW NW,
Additional legal(s) located on page 6 *
Assessor's Tax Parcel ID#: 340203-3-011-0006 P19742 and 340203-3-014-0003 P19745
Reference No. of Document Affected: (ie. DT, Lease): 200210250190

200210250190

THIS ASSIGNMENT OF RENTS AND LEASES ("Assignment") is made and is incorporated into and shall be deemed to amend and supplement the Deed of Trust (the "Security Instrument") of the same date given by the undersigned **Erik L. Bowman and Dulcie A. Bowman**, husband and wife (the "Borrower") to secure Borrower's Promissory Note ("Note") to **CLS Financial Services, LLC**, a Washington limited liability company (the "Lender") of the same date and covering the following described real estate (the "Property"):

see attached Exhibit "A"

In addition to the covenants and agreements made in the Security Instrument, and for the same respective considerations, Borrower and Lender further covenant and agree as follows:

1. **ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Borrower absolutely and unconditionally assigns and transfers to Lender all the rents, income and revenues ("Rents") of the Property and from the buildings, improvements, chattels, fixtures and personal property on such Property (the Property and the buildings, improvements, chattels, fixtures and personal property on the Property are collectively referred to herein as the "Premises"), regardless of to whom the Rents of the Premises are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Premises shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until: (i) Lender has given Borrower notice of default pursuant to the Security Instrument and/or the Note, and (ii) Lender has given to the tenant(s) a copy of this Assignment and written notice

ELB *DAB*

that the Rents are to be paid to Lender or Lender's agent. This Assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of default to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Premises; (iii) Borrower agrees that each tenant of the Premises shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and/or managing the Premises and/or collecting the Rents, including, but not limited to attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Premises, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled, at Lender's sole discretion, to have a receiver appointed to take possession of and manage the Premises and collect the Rents and profits derived from the Premises without any showing as to the inadequacy of the Property as security.

If the Rents of the Premises are not sufficient to cover the costs of taking control of and/or managing the Premises and/or of collecting the Rents, then any funds expended by Lender for such purposes shall become additional indebtedness of Borrower to Lender secured by the Security Instrument.

2. ASSIGNMENT OF LEASES. Upon Lender's written request, Borrower shall forthwith assign and transfer to Lender all leases of the Premises (the "Lease" or "Leases") and all security deposits made in connection with such Leases. Upon such assignment, Lender shall have the right to modify, extend or terminate the existing Leases and/or to execute new leases, in Lender's sole discretion.

3. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property, the following items are added to the Property or Premises description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument are referred to in this Assignment and the Security Instrument as the "Premises".

4. USE OF PROPERTY; COMPLIANCE WITH LAW; COVENANTS. Borrower covenants that it: (A) shall not seek, agree to or make any change in the use of the Premises,

ELB *DAB*



unless Lender has agreed in writing to the change; (B) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property and/or the Premises; (C) shall observe and perform all the obligations imposed upon the lessor under the Leases and shall not do or permit to be done anything to impair the value of the Leases; (D) shall enforce all of the terms, covenants and conditions contained in the Leases upon the part of the lessee thereunder to be observed and performed; (E) shall not collect any of the Rents more than one (1) month in advance; (F) shall not execute any other assignment of the lessor's interest in the Leases or the Rents.

5. **POSSESSION.** Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Premises before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. At Lender's sole discretion, Lender or Lender's agents may collect Rents without taking possession of the Premises. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender

6. **NO LIABILITY OF LENDER.** The Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Premises after default or from any other act or omission of Lender in managing the Premises after default or in the collection of Rents. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or under or by reason of this Assignment and Borrower shall, and hereby agrees, to indemnify Lender for, and to hold Lender harmless from, any and all liability, loss or damage which may or might be incurred under the Leases or under or by reason of this Assignment and from any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Lender by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Lender incur any such liability, the amount thereof, including costs, expenses and attorneys' fees, shall be secured hereby and by the Security Instrument and Borrower shall reimburse Lender therefor. This Assignment shall not operate to place any obligation or liability for the control, care, management or repair of the Premise upon Lender, nor for the carrying out of any of the terms and conditions of the Leases; nor shall it operate to make Lender responsible or liable for any waste committed on the Premises by the tenants or any other parties, or for any dangerous or defective condition of the Property or the Premises, including, without limitation, the presence of any Hazardous Substances (as defined in the Security Instrument).

7. **BORROWER'S WARRANTIES/REPRESENTATIONS.** Borrower warrants that: (A) Borrower is the sole owner of the entire lessor's interest in the Leases; (B) the Leases are valid, enforceable and in full force and effect and have not been altered, modified or amended in any manner whatsoever; (C) none of the Rents have been assigned or otherwise pledged, encumbered or hypothecated; (D) none of the Rents have been collected for more than two (2) months in advance; (E) Borrower has full power and authority to execute and deliver this Assignment and the execution and delivery of this Assignment has been duly authorized and does not conflict with or constitute a default under any law, judicial order or other agreement affecting Borrower



or the Premises; (F) all tenants under the existing Leases have accepted the Premises and have taken possession of the same on a rent-paying basis; (G) there exist no offsets or defenses to the payment of any portion of the Rents; (H) Borrower has not and will not perform any act that would prevent Lender from exercising its rights under this Assignment.

8. **TERMINATION/RELEASE.** This Assignment shall terminate when all sums secured by the Security Instrument are paid in full. A release/reconveyance of the Security Instrument shall also release/reconvey this Assignment.


9. **CROSS-DEFAULT PROVISION.** Borrower's default or breach under any other note or agreement in which Lender has an interest shall be a breach under the Security Instrument, and Lender may invoke any of the remedies permitted by the Security Instrument.

10. **RENT LOSS INSURANCE.** If required by the Lender, either at the time of signing the Note and Security Instrument or at anytime thereafter upon 20 days' written notice to Borrower, Borrower shall continuously maintain insurance against rent loss in addition to the other hazards for which insurance is required by the Security Instrument.


11. **SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against any part of the Premises without Lender's prior written permission.

IN WITNESS whereof, we have executed this Assignment of Rents and Leases, and accept and agree to the terms and provisions contained herein, at Lynnwood, Washington, on October 15, 2002.

Borrower:



Erik L. Bowman

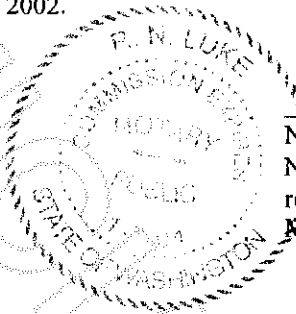


Dulcie A. Bowman

STATE OF WASHINGTON)
)ss.
County of Snohomish)

I hereby certify that I know or have satisfactory evidence that Erik L. Bowman and Dulcie A. Bowman are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated this 24th day of October, 2002.



A handwritten signature in black ink, appearing to be "R. N. Luke", written over a horizontal line.

Name: R. N. LUKE
Notary Public in and for the State of Washington,
residing at: Kenmore WA
My commission expires: 1-7-2004



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EXHIBIT A
(Legal Description)

Description:

PARCEL A:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 34 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT THE SOUTH 330 FEET OF THE EAST 330 FEET THEREOF;

AND EXCEPT THAT PORTION THEREOF LYING WITHIN THE STEVENSON COUNTY ROAD.

PARCEL B:

THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 34 NORTH, RANGE 2 EAST OF THE WILLAMETTE MERIDIAN;

EXCEPT ANY PORTION THEREOF LYING WITHIN THE COUNTY ROAD.

ALL SITUATED IN SKAGIT COUNTY, WASHINGTON

Tax Account Number: 340203-3-011-0006 P19742 and 340203-3-014-0003 P19745

Commonly Known As: 9011 Stevenson Road and 2.42 Acres Stevenson Road, Anacortes



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