



201309050033

Skagit County Auditor

\$91.00

9/5/2013 Page

1 of

10 10:36AM

When recorded, mail to:

James W. Aiken  
Aiken Law Group  
2131 Second Avenue  
Seattle, WA 98121

---

**ASSIGNMENT OF LEASE, RENTS AND PROFITS**

**File No.:** 1588.006

**Grantor:** Coulter Properties, LLC, a Washington limited liability company (Borrower)

**Grantee (Lender):** VSF Properties, LLC and LDVS, LLC, Washington limited liability companies (Lender)

**Grantee (Trustee):** CHICAGO TITLE INSURANCE COMPANY

**Legal Description (Abbreviated):** PTN BLKS 1 AND 7, TOWN OF WOOLLEY, PTN BLK 11, WEST ADD TO WOOLLEY AND PTN NE SW, 24-35-04

**Additional Legal Description:** See attachment hereto

**Assessor's Tax Parcel No(s):** P77410 / 4176-011-005-0002, P77411 / 4176-011-900-0008, P77412 / 4176-011-900-0107, P77451 / 4177-001-006-0001, P77452 / 4177-001-011-0004, P109239 / 350424-3-082-0200, P77493 / 4177-007-011-0001 and P77492 / 4177-007-006-0008

229702

Reference Nos. of Documents

PTN BLKS 1 AND 7, TOWN OF WOOLLEY, PTN  
BLK 11, WEST ADD TO WOOLLEY AND PTN NE  
SW, 24-35-04

Released or Assigned:

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS (this "Assignment") dated August 30, 2013 is from **COULTER PROPERTIES, LLC**, a Washington limited liability company, whose address is Suite 200, 208 East Blackburn Road, Mount Vernon, Washington 98273, (hereinafter referred to as "Borrower") to **VSF PROPERTIES, LLC and LDVS, LLC, Washington limited liability companies**, whose address is 2010 Iowa Street, Bellingham, WA 98229 (collectively "Lender").

WHEREAS, Borrower is the owner of certain premises in the City of Sedro-Woolley, Skagit County, Washington, more particularly described in Schedule A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, Lender is the holder of a Promissory Note (the "Loan") payable by Borrower to Lender or order in the current approximate principal amount of approximately \$1,975,000.00 (the "Note"); and

WHEREAS, the Note is secured by a Deed of Trust for the benefit of Lender and recorded in the Official Records of Skagit County, Washington, encumbering certain real property (the "Premises") described in Schedule A attached hereto situated in the County of Skagit, State of Washington (the "Deed of Trust"); and

WHEREAS, as further security to Lender in consideration of Lender making certain promises to 116 West Ferry Street, LLC who is seeking to lease the Premises subject to the Deed of Trust and to Dwayne Lane's Sedro-Woolley, Inc. who is seeking to purchase assets of Borrower's affiliate (North Cascade Ford, Inc) , Borrower is executing and delivering this Assignment and Lender has requested this Assignment as a condition of Lender's entering said agreements with 116 West Ferry Street, LLC and Dwayne Lane's Sedro-Woolley, Inc.

NOW, THEREFORE, in consideration of the Loan from Lender to Borrower, other valuable consideration referenced herein, and the mutual promises contained herein, in order to further secure payment of the Indebtedness and the observance, performance and discharge of the Obligations, Borrower hereby absolutely and irrevocably assigns and transfers to Lender, all of Borrower's right, title and interest in and to (1) any and all existing and future leases and tenancies, whether written or oral, recorded or unrecorded, covering or affecting all or any part of the Premises, together with any and all extensions, modifications and renewals thereof (all of which are collectively referred to as the



"Leases"), and (2) all rents, issues, proceeds, profits and other income or payments of any kind due or to become due or payable to Borrower as the result of any use, possession, or occupancy of all or any portion of the Premises or as the result of the use or lease of any personal property constituting a part of the Premises, and including all cash or security deposited thereunder (all of which are collectively referred to as "Rents"), whether the Rents accrue before or after foreclosure of the Deed of Trust. Grantor hereby appoints Beneficiary its true and lawful attorney-in-fact, with the right, at Beneficiary's option at any time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in Grantor's or Beneficiary's name, for all Rents. This Assignment shall not be deemed or construed to constitute Trustee or Beneficiary as a mortgagee in possession nor obligate Trustee or Beneficiary to take any action or to incur expenses or perform or discharge any obligation, duty or liability. Exercise of any rights under this granting clause and the application of the Rents to the Indebtedness or the Obligations shall not cure or waive any Event of Default. This Assignment shall in no way affects, alters, or otherwise extinguishes the right and obligations of any parties under the Third Amendment to the Asset Purchase Agreement between Lenders and North Cascade Ford Inc. dated April 15, 2003. Borrower further covenants and agrees with Lender as follows:

1. License. Unless and until there occurs an Event of Default hereunder or an Event of Default under any of the Transaction Documents, or other document or agreement in existence or now or hereafter executed by Borrower, or by any guarantor of Borrower's obligations to Lender, Borrower shall have and is hereby granted a license to collect and retain the Rents; however, upon the occurrence and during the continuance of such Event of Default, Borrower's license to collect the Rents shall immediately terminate. Notwithstanding the foregoing, Borrower's lease shall provide that the lessee under the lease make direct payment to Lender of an amount of the lease payment equal to the monthly installment payment on the Loan. This Assignment constitutes a perfected, absolute, and present assignment.

2. Performance of Leases. Borrower will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which it becomes liable to observe or perform under any existing or future Lease, and, at its sole cost and expense, enforce or secure the performance of each and every obligation, covenant, condition and agreement to be performed by the tenant under each and every Lease. Borrower will observe and comply with all provisions of law applicable to the operation and ownership of the Premises. Borrower will give prompt written notice to Lender or its designated assignee of any defaults under such Leases and will also, at its sole cost and expense, appear in and defend any action or proceeding arising under, growing out of or in any manner connected with any Lease or the obligations, duties or liabilities of Borrower or any tenant pursuant to any Lease.

3. Protection of Lender's Rights. Should Borrower fail to perform or observe any covenant or agreement contained in this Assignment, then Lender may, without obligation to do so and without releasing Borrower from any obligation of any kind, make or do the same in such manner and to such extent as Lender deems appropriate to protect or enforce its rights hereunder evidenced by this Assignment, including specifically and without limitation, the right to commence, appear in, and to defend any



6. Lender Not To Become Liable. Lender is not obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty or liability of Borrower under the Leases. This Assignment shall not operate to place upon Lender responsibility for the control, care, management or repair of the Premises or for the performance of any of the terms and conditions of the Leases. Lender is not responsible or liable for any waste committed on the Premises, for any dangerous or defective condition of the Premises, for any negligence in the management, upkeep, repair or control of the Premises or for failure to collect the Rents.

7. Indemnity. Except with regard to damages the proximate cause of which is the gross negligence or willful misconduct of Lender, Borrower hereby agrees to indemnify and to hold Lender harmless of and from any and all claims, demands, liability, loss or damage, including all costs, expenses and reasonable attorneys' fees asserted against, imposed on or reasonably incurred by Lender in connection with or as a result of this Assignment or the exercise of any rights or remedies under this Assignment or under the Leases or by reason of any alleged obligations or undertakings of Lender to perform or discharge any of the terms, covenants or agreements contained in the Leases. In the event Lender incurs any such liability, the proximate cause of which is not its own gross negligence or willful misconduct, the amount thereof, together with interest thereon at the legal rate, shall be due and payable, and Borrower shall reimburse Lender therefor promptly upon demand.

8. Authorization to Tenant. Upon notice from Lender that it is exercising any remedy set forth in this Assignment, the tenants under the Leases are hereby irrevocably authorized and directed to pay to Lender all sums due under the Leases, and Borrower hereby consents and directs that said sums shall be paid to Lender without the necessity for a judicial determination that an Event of Default has occurred or that Lender is entitled to exercise its rights pursuant to this Assignment, and to the extent such sums are paid to Lender, Borrower agrees that the tenant has no further liability to Borrower for the same. The signature of Lender alone is sufficient for the exercise of any rights under this Assignment and the receipt by Lender alone of any sums received is a full discharge and release of any such tenant or occupant of the Premises. Checks for all or any part of the Rents collected under this Assignment shall upon notice from Lender be drawn to the exclusive order of Lender.

9. Satisfaction. Upon the payment in full of all indebtedness owing from Borrower to Lender, this Assignment becomes, without the need for any further satisfaction or release, null and void and of no further effect.

10. Power of Attorney. Borrower hereby irrevocably appoints Lender and its successors and assigns as its agent and attorney-in-fact coupled with an interest, and upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, with the right but not the duty to exercise any rights or remedies granted by this Assignment and to execute and deliver during the term of this Assignment any such instruments as Lender may deem appropriate to make this Assignment and any further assignment effective, including without limitation the right to endorse on behalf of and in the name of Borrower all checks from tenants in payment of Rents.



11. Lender Not a Mortgagee In Possession. Nothing contained herein and no actions taken pursuant to this Assignment shall be construed as constituting Lender as a mortgagee in possession.

12. Unenforceable Provisions Severable. All rights, powers and remedies provided in this Assignment are intended to be exercised only to the extent that such exercise does not violate any applicable provision of law, and are intended to be limited to the extent necessary not to render this Assignment invalid, unenforceable or unreasonable under any applicable law. If any term of this Assignment is held to be invalid, illegal or unenforceable, the validity of other terms is intended to remain unaffected.

13. Successors And Assigns. The covenants and agreements herein contained shall be binding upon, and the rights hereunder shall inure to, the respective successors and assigns of Borrower and Lender, including any purchaser at a foreclosure sale.

14. Captions, Amendments, Notices. The captions and headings of paragraphs of this Assignment are for convenience only and are not intended to interpret or define the provisions of this Assignment. This Assignment can be amended only in writing signed by Borrower and Lender. All notices given under this Assignment must be in writing and will be effective upon personal delivery or, if mailed, on the third (3rd) day following posting, when deposited in first class, certified or registered United States mail, postage prepaid, sent to the address of the party on page 1 hereof, or such other address as any party may designate in writing to the other party.

15. Construction. The provisions of this Assignment do not supersede, but are supplemental to, the Deed of Trust and other Transaction Documents, the intent being that Lender enjoy all of the benefits and protections of the various provisions of this Assignment and the Deed of Trust; provided, however, that in the event of direct inconsistency, it is intended that this Assignment control the Deed of Trust with regard to the various provisions herein contained, but only to the extent such control does not impede the enforceability or security of the Deed of Trust. Capitalized terms used herein not otherwise defined are used in accordance with their definition in the Deed of Trust.

16. Governing Law. This Assignment and any instruments or documents executed in connection with this Assignment shall be governed by and construed in accordance with the laws of the State of Washington.

17. Receipt. BORROWER ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS ASSIGNMENT.



IN WITNESS WHEREOF, Borrower has executed this Assignment, the day and year first above written.

COULTER PROPERTIES, LLC,  
a Washington limited liability company

By:

  
Travis Coulter, Manager

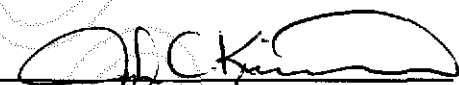
### ACKNOWLEDGMENTS

STATE OF WASHINGTON )  
COUNTY OF Skagit ) SS.

On August 30<sup>th</sup>, 2013, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared Travis Coulter, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument and acknowledged he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the manager of Coulter Properties, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal.



  
Notary Public in and for the State  
of Washington  
Print Name: Joseph C. Krivanek  
My appointment expires: 4-1-16

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

2013  
SEP 05 2013

Amount Paid \$         
Skagit Co. Treasurer  
By MB Deputy

-7-



201309050033

Skagit County Auditor

\$81.00

9/5/2013 Page

6 of 10 10:36AM

## SCHEDULE A

### LEGAL DESCRIPTION

Street Address: 116 West Ferry St., Sedro-Woolley, Skagit County, Washington 98284

Parcel A:

That portion of the vacated Northern Avenue and of Block 11 of "West Addition to the Town of Woolley, Skagit County, Washington", as per plat recorded in Volume 2 of Plats, Page 89, Records of Skagit County, Washington, described as follows:

Beginning at the Southwest corner of said Block 11; thence East along the South line thereof 210 feet to the true point of beginning; thence continue East along said South line 91.5 feet; thence North to the right-of-way of the Seattle and Northern Railway Company; thence in a Southwesterly direction along the South line of said right-of-way to a point due North of the true point of beginning; thence South to the true point of beginning.

Situated in Skagit County, Washington

Parcel B:

That portion of the Northwest 1/4 of the Southwest 1/4 of Section 24, Township 35 North, Range 4 East, W.M., and Lots 1 and 2, Block 1, "Town of Woolley", as per plat recorded in Volume 2 of Plats, Page 92, Records of Skagit County, Washington and of vacated streets adjoining described as follows:

Beginning at a point on the North line of Ferry Street, 361.5 feet East of the Southwest corner of Block 11, "West Addition to the Town of Woolley, Skagit County, Washington", according to the plat recorded in Volume 2 of Plats, Page 89, Records of Skagit County, Washington; thence East along the North line of Ferry Street 125 feet; thence North to the South line of the Seattle & Northern Railway right-of-way as shown on said plat; thence Southwesterly along said right-of-way line to a point due North of the place of beginning; thence South to the place of beginning.

Situated in Skagit County, Washington

Parcel C:

That part of Block 1, "Town of Woolley", according to the plat recorded in Volume 2 of Plats, Page 92, Records of Skagit County, Washington, and of the vacated streets adjoining, and vacated alley through said block, that have reverted by process of law lying within the following boundaries:

Beginning at a point on the South line of said Block 1, which is 486.5 feet East of the Southwest corner of Block 11, "West Addition to Woolley"; thence East along



201309050033

the South line of said Block 1 to the East line of alley as platted in said Block 1, "Town of Woolley"; thence North at right angles from the South line of said block to the South line of the Great Northern Railroad right-of-way; thence Westerly along the South line of said right-of-way to intersect with a line running North from the point of beginning and at right angles to the South line of said block; thence South to the point of beginning.

Situated in Skagit County, Washington.

Parcel D:

Lots 1 to 6, inclusive, Block 7, "Town of Woolley", according to the plat recorded in Volume 2 of Plats, Page 92, Records of Skagit County, Washington.

Situated in Skagit County, Washington

Parcel E:

Lots 7 through 11, inclusive, Block 7, "Town of Woolley", as per plat recorded in Volume 2 of Plats, Page 92, Records of Skagit County, Washington.

TOGETHER WITH the West 1/2 of that portion of vacated Eastern Avenue lying West of the Northern Pacific right-of-way and directly East of said Block 7 which has reverted to said premises upon operation of law.

Situated in Skagit County, Washington

. Parcel "F":

That portion of Block 11, "West Addition to the Town of Woolley, Skagit County, Washington", as per plat recorded in Volume 2 of Plats, Page 89, Records of Skagit County, and of vacated Northern Avenue adjoining on the North, described as follows:

Beginning at a point 301.5 feet East of the Southwest corner of Block 11, "West Addition to Woolley"; thence East along the North line of Ferry Street 60 feet; thence North to the South line of the Seattle & Northern Railway right-of-way; thence Southwesterly along said Railway line to a point due North of the point of beginning; thence South to the point of beginning.

Situated in Skagit County, Washington

. Parcel "G":

That part of Block 1 "Town of Woolley", according to the recorded plat thereof in the Office of the Auditor of Skagit County, Washington, in Volume 2 of Plats, Page 92, and of the vacated streets adjoining and vacated alley through said block, that have reverted by process of law, lying within the following described boundaries:

Beginning at a point 586.5 feet East of the Southwest corner of Block 11, of



"West Addition to Woolley, Skagit County, Wash", according to the recorded plat thereof in the Office of the Auditor of Skagit County, Washington in Volume 2 of Plats, Page 89, and on the South line of Block 1 of the "Town of Woolley"; thence running North to the South line of the right-of-way of the Seattle and Northern Railway Company; thence Easterly along the South line of said right-of-way to a point 20 feet West of the West line of the original right-of-way of Northern Pacific Railway Co.; thence South parallel to and 20 feet distant from the West line of the original right-of-way of the Northern Pacific Railway Co. to the North line of Ferry Street; thence West along the North line of Ferry Street and along the South line of Block 1 of said "Town of Woolley", to the place of beginning.

EXCEPT that portion thereof lying West of the East line of alley as platted in Block 1, "Town of Woolley" situated in Skagit County, Washington .

. Parcel "H":

Two parcels of land situated in the Northeast 1/4 of the Southwest 1/4 of Section 24, Township 35 North, Range 4 East, W.M., Sedro Woolley, Skagit County, Washington, described as follows, to-wit:

Parcel 1 of Parcel "H":

Beginning at the intersection of the North line of Ferry Street with the centerline of 40.0 foot wide Eastern Avenue, vacated by the City Council of the City of Sedro Woolley by Resolution #101, duly passed and adopted on October 27, 1930; thence Northerly along the centerline of vacated Eastern Avenue 170.0 feet, more or less, to the Southerly line of Northern Avenue, according to the official plat of Sedro Woolley, as filed in the County Auditor's Office in Skagit County, Washington; thence Easterly along said Southerly line of Northern Avenue 20.3 feet to the Easterly line of said vacated Eastern Avenue, also being on the Westerly line of Burlington Northern Railroad Company's (formerly Northern Pacific Railway Company)

100.0 foot wide right-of-way, being a portion of the same property as described in Warranty Deed from Phillip A. Woolley and Kate Woolley dated April 18, 1890 and filed for record April 25, 1890 in Volume 10 of Deeds, Page 450 of the Records of said County; thence Northern along said Westerly right-of-way line

42.39 feet to the Northerly line of said Northern Avenue, and being 50.0 feet Southerly, as measured at right angles from Burlington Northern Railroad Company's (formerly Great Northern Railway Company) Main Track centerline of the Burlington to Concrete, Washington Branch Line, as originally located and constructed; thence Easterly along said Northern line of Northern Avenue 26.49 feet to a point being 25.0 feet Westerly, as measured at right angles from the centerline of said Railroad Company's 100.0 foot wide right-of-way; thence Southerly along a line drawn parallel with the centerline of said 100.0 foot wide right-of-way 220.0 feet, more or less, to the said North line of Ferry Street; thence Westerly along said North line of Ferry Street 45.69 feet to the point of beginning; also,

Parcel 2 of Parcel "H":

Beginning at the intersection of the North line of Woodworth Street with the centerline of 40.0 foot wide Eastern Avenue, vacated by the City Council of the



City of Sedro Woolley by Resolution #101 duly passed and adopted on October 27, 1930; thence Northerly along the centerline of vacated Eastern Avenue 219.3 feet, more or less, to the South line of 80.0 foot wide Ferry Street; thence Easterly along said South line of Ferry Street 45.69 feet to a point being 25.0 feet westerly, as measured at right angles from the centerline of Burlington Northern Railroad Company's (formerly Northern Pacific Railway Company) 100.0 foot wide right-of-way, being a portion of the same property as described in Warranty Deed from Phillip A. Woolley and Kate Woolley dated April 18, 1890 and filed for record April 25, 1890 in Volume 10 of Deeds, Page 450 of the Records of said County; thence Southerly along a line drawn parallel with the centerline of said 100.0 foot wide right-of-way 219.3 feet, more or less, to the said North line of Woodworth Street; thence Westerly along said North line of Woodworth Street 45.69 feet to the point of beginning.

Situated in Skagit County, Washington.

