

After recording return to:  
CETAN FUNDS, LLC  
Attn: Loan Operations  
PO Box 41997  
Eugene, OR 97404

## ASSIGNMENT OF RENTS

(Multi-Tenant Property)

### PARTIES:

David K. Whitlock, an individual (the "**Borrower**")

CETAN FUNDS, LLC, an Oregon limited liability company (the "**Lender**").

### RECITALS:

A. Borrower is the fee owner of that certain real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "**Real Property**") and the improvements thereon (the "**Improvements**").

B. Pursuant to a Commercial Loan Agreement dated the same date as this Assignment between Borrower and Lender (the "**Loan Agreement**"), Lender has agreed to lend to Borrower the sum of \$77,400.00 (the "**Loan**").

C. Contemporaneously with the execution of the Loan Agreement, Borrower also executed and delivered to Lender a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "**Deed of Trust**") to secure repayment of the Loan and Borrower's duties and obligations under the Loan Agreement and other Loan Documents. The Deed of Trust is a first priority lien on the Real Property, the Improvements and the related tangible and intangible items of personal property described in the Deed of Trust. All of the documents evidencing, securing or executed in connection with the Loan collectively are referred to as the "**Loan Documents**."

### AGREEMENTS:

1. **ASSIGNMENT.** For valuable consideration, Borrower assigns and conveys to Lender all of Borrower's right, title, and interest in and to all Leases and the Rents from the Real Property and Improvements. This Assignment is given to secure Borrower's duties and obligations under the Loan Agreement, the other Loan Documents (collectively, the "**Obligations**"). The term "Leases" means all leases, subleases, tenancies, licenses, occupancy agreements or agreements to lease all or any portion of the Real Property and Improvements, together with any extensions, renewals, amendments, modifications or replacements thereof, and any options, rights of first refusal or guarantees of any tenant's obligations under any lease now or hereafter in effect. The term "Rents" means all rents, revenues, income, receipts, issues, and profits from the Leases or

ownership of the Real Property and Improvements, whether due now or later, including without limitation all awards and payments of any kind derived from or relating to the Leases, the proceeds of any rental or loss of rents insurance and all security deposits.

2. **COLLECTION OF RENTS.** Until an Event of Default or until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Borrower has a license from Lender to operate and manage the Leases and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

3. **BORROWER'S REPRESENTATIONS AND WARRANTIES.** Borrower represents, warrants and covenants to Lender as follows:

3.1 **Ownership.** Borrower is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims.

3.2 **Right to Assign.** Borrower has the full right, power, and authority to enter into this Assignment and to assign and convey the Leases and Rents to Lender.

3.3 **No Prior Assignment.** Borrower has not previously assigned or conveyed the Leases and Rents to any other person by any instrument now in force.

3.4 **No Further Transfer.** Borrower will not sell, assign, encumber, or otherwise dispose of any of its rights in the Leases and Rents.

4. **COLLECTION OF RENTS BY LENDER.** Lender shall have the right (but not the obligation) at any time, whether before or after an Event of Default, to take any of the following actions, and for these purposes, Lender is hereby given and granted the rights, powers and authority below.

4.1 **Notice to Tenants.** Lender may send notices to any and all tenants of the Improvements advising them of this Assignment and directing all Rents to be paid directly to Lender.

4.2 **Entry on the Improvements.** Lender may enter upon and take possession of the Improvements; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Improvements, including such proceedings as may be necessary to recover possession of the Improvements, or to enforce the Leases; collect the Rents and remove any tenant or tenants or other persons from the Improvements.

4.3 **Maintenance of the Improvements.** Lender may enter upon the Improvements to maintain the Improvements and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Improvements in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Improvements.

4.4 Compliance with Laws. Lender may do any and all things to execute and comply with applicable state laws and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Improvements.

4.5 Lease the Improvements. Lender may rent or lease the whole or any part of the Improvements for such term or terms and on such conditions as Lender may deem appropriate.

4.6 Employ Agents. Lender may engage such agent or agents as it may deem appropriate, either in Lender's name or in Borrower's name, to rent and manage the Improvements, including the collection and application of Rents.

4.7 Other Acts. Lender may do all such other things and acts with respect to the Improvements or the Leases as it may deem appropriate and may act exclusively and solely in the place and stead of Borrower and to have all of the powers of Borrower for the purposes stated above.

4.8 No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

5. APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Improvements shall be for Borrower's account, and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Obligations.

6. EXPENDITURES BY LENDER. If any action or proceeding is commenced that would materially affect Lender's interest in the Rents or Leases or if Borrower fails to comply with any provision of this Assignment or any related documents, Lender, on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents, the Leases or the Improvements and paying all costs for insuring, maintaining and preserving the Improvements.

7. REIMBURSEMENT OF EXPENDITURES. All expenditures made by Lender under this Assignment and not reimbursed from the Rents or otherwise, will bear interest at the lesser of 12% per annum or the highest rate under applicable law from the date incurred or paid by Lender to the date of repayment by Borrower; will become a part of the Obligations and; at Lender's option, will (a) be payable on demand; (b) be added to the balance due under the Loan Documents; or (c) be treated as a balloon payment which will be due and payable at the maturity of the Loan. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon default.

8. FULL PERFORMANCE. Borrower agrees that to the extent Borrower makes any payment to Lender in connection with the Loan, and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by Lender or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is hereinafter referred to as a "**Preferential Payment**"), then this

Assignment shall continue to be effective or shall be reinstated, as the case may be, and, to the extent of such payment or repayment by Lender, the Loan or part thereof intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if said Preferential Payment had not been made. Subject to the foregoing, if Borrower satisfies all of its Obligations when due and Lender has no commitment to make further Loan advances, and Borrower otherwise performs all the obligations imposed upon it under this Assignment, Lender shall execute and deliver to Borrower a satisfaction of this Assignment and terminate any financing statement on file evidencing Lender's security interest in the Rents and Leases. Any termination fee required by law shall be paid by Borrower, if permitted by applicable law.

9. **DEFAULT.** Each of the following, at the option of Lender, shall constitute an event of default ("**Event of Default**") under this Assignment:

9.1 Default on Indebtedness. Failure of Borrower to make any payment when due on the Loan or otherwise arising from the Obligations.

9.2 Compliance Default. Failure of Borrower to comply with any term, obligation, covenant or condition contained in this Assignment.

9.3 Default under the Loan Documents. The occurrence of any default under the Loan Agreement or any of the other Loan Documents or the failure of Borrower to comply with or to perform any term, obligation, covenant or condition contained in any other agreement with Lender.

9.4 Breaches. Any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower under this Assignment is, or at the time made or furnished was, false in any material respect.

9.5 Foreclosure. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, or any levy, execution or other action by Lender or any creditor of Borrower against the Leases, Rent, Real Property or Improvements.

10. **REMEDIES.** Upon the occurrence of an Event of Default, the license granted to Borrower to collect the Rents shall be automatically and immediately revoked without further notice to or demand upon Borrower, and Lender shall have the right, without further notice to or demand upon Borrower, and in Lender's absolute discretion, to exercise any one or more of the following rights and remedies:

10.1 Take Possession. Without regard to the adequacy of any security, and with or without appointment of a receiver, Lender may enter upon and take possession of the Improvements; have, hold, manage, lease and operate the Improvements; and collect, in its own name or in the name of Borrower, and receive all Rents accrued but unpaid and in arrears as of the date of such Event of Default, as well as the Rents which thereafter become due and payable; and have full power to make from time to time all alterations, renovations, repairs or replacements to the Improvements as Lender may deem proper. Lender may notify the tenants under the Leases, or any property manager or rental agent under any contract with Borrower, to pay all Rents directly to Lender. Borrower shall pay to Lender on demand any Rents collected by Borrower after the

revocation of the license granted to Borrower. Borrower hereby irrevocably authorizes and directs the tenants under the Leases, and any property manager or rental agent under any contract, upon receipt of written notice from Lender, to pay all Rents due to Lender without the necessity of any inquiry to Borrower and without any liability respecting the determination of the actual existence of any Event of Default claimed by Lender or any claim by Borrower to the contrary. Borrower further agrees that it shall facilitate in all reasonable ways Lender's collection of the Rents and will, upon Lender's request, execute and deliver a written notice to each tenant under the Leases, or any property manager or rental agent under any contract, directing such parties to pay the Rents to Lender. Borrower shall have no right or claim against any parties to any Lease or contract who make payment to Lender after receipt of written notice from Lender requesting same.

10.2 Application of Rents. Lender may apply such Rents to the payment of: (i) Lender's expenditures in connection with the Lease, Improvements, and enforcement of this Assignment, the Loan Agreement or the other Loan Documents; (ii) the Obligations, together with all costs and reasonable attorneys' fees; and (iii) all taxes, charges, claims, assessments, water rents, sewer rents and any other liens which have priority over the Obligations.

10.3 Collect and Enforce Leases. Lender may: (i) endorse as Borrower's attorney-in-fact the name of Borrower or any subsequent owner of the Improvements on any checks, drafts or other instruments received in payment of the Rents, and deposit the same in bank accounts, which power of attorney is coupled with an interest and shall be irrevocable; (ii) endorse as Borrower's attorney-in-fact the name of Borrower or any subsequent owner of the Improvements on any checks, drafts or other instruments received in payment of the Rents, and deposit the same in bank accounts, which power of attorney is coupled with an interest and shall be irrevocable; (iii) give proper receipts, release and acquittances in relation thereto in the name of Borrower; (iv) institute, prosecute, settle or compromise any summary or legal proceedings in the name of Borrower for the recovery of the Rents, or for damage to the Real Property or Improvements, or for the abatement of any nuisance thereon; and (v) defend any legal proceedings brought against Borrower arising out of the operation of the Real Property and Improvements.

10.4 Receiver. Lender shall have the right to have a receiver appointed without regard to the adequacy of the security for the indebtedness or the insolvency of the Borrower or to the absence of waste or danger of loss or destruction of the Property, to possess, manage, control and sell the Property, to operate the Property, to make, modify, amendment, terminate and deal in all respects with the Leases, and to collect the Rents, issues and profits of the Property. Borrower shall attorn to any receiver appointed for the Property.

10.5 Other Remedies. Lender shall have all other rights and remedies provided in this Assignment, the Loan Documents, at law or in equity.

10.6 Manage the Property. Lender may, at its election, but shall not be obligated to: (i) perform any of Borrower's (as a landlord, not a tenant) obligations under the Leases (provided, however, that Borrower shall remain liable for its obligations notwithstanding such election by Lender); (ii) exercise any of Borrower's rights, powers or privileges under the Leases; (iii) modify, cancel or renew existing Leases or make concessions to the tenants thereto; (iv)

execute new Leases for all or any portion of the Improvements; and (v) take such other action as Borrower may have taken with respect to the Leases.

10.7 Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Assignment shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Borrower under this Assignment after failure of Borrower to perform shall not affect Lender's right to declare a default and exercise its remedies under this Assignment.

11. **WAIVERS.** Borrower waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Borrower, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Real Property and Improvements, or any delay by Lender in realizing upon the Real Property and Improvements. Borrower agrees to remain liable under this Assignment no matter what action Lender takes or fails to take under the Loan Agreement or other Loan Documents.

12. **ATTORNEYS' FEES; EXPENSES.** Borrower agrees to pay on demand all of Lender's costs and expenses, including Lender's attorney fees and legal expenses, incurred in connection with enforcement of this Assignment and the Loan Documents, whether or not a lawsuit is filed. Lender may hire or pay someone else to help enforce this Assignment and the Loan Documents, and may also use attorneys who are salaried employees of Lender to enforce this Agreement. Borrower shall pay all costs and expenses of all such enforcement. In the event arbitration, suit, action or other legal proceeding is brought to interpret or enforce this Assignment and the Loan Documents, including any proceeding under the U.S. Bankruptcy Code, the prevailing party shall recover its reasonable attorney's fees and related expenses (including expert witness fees, transcript costs and other similar expenses) in such proceeding and any appeal thereof, in addition to the costs and disbursements allowed by law. Whether or not an arbitration or court action is filed, all reasonable attorney fees and expenses Lender incurs in protecting its interests and/or enforcing this Agreement shall become part of the Obligations evidenced or secured by this Agreement, shall bear interest at the highest applicable rate under the promissory note or credit agreement, and shall be paid to Lender on demand.

13. **CUMULATIVE REMEDIES.** The rights and remedies of Lender under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights or remedies which Lender may have under the Loan Documents.

14. **SEVERABILITY.** If any provision of this Assignment shall be invalid or illegal or unenforceable, it shall not affect or impair the validity, legality and enforceability of any other provisions of this Assignment.

15. AMENDMENT. This Assignment may not be amended, modified or changed, nor shall any waiver of any provisions hereof be effective, except by an instrument in writing and signed by Borrower and Lender.

16. SUCCESSORS AND ASSIGNS. This Assignment shall be binding upon Lender, Borrower and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, subject to the limitations on assignment set forth herein.

17. CHOICE OF LAW. This Assignment shall be governed by and construed in accordance with the laws of the State of Oregon.

18. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Assignment.

19. WAIVERS AND CONSENTS. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Assignment shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender, Borrower, shall constitute a waiver of any of Lender's rights or any of Borrower's obligations as to any future transactions. Whenever consent by Lender is required in this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

20. NOTICES. Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by facsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified mail postage prepaid, return receipt requested, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

21. COUNTERPARTS. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

22. JURY WAIVER. Borrower voluntarily, knowingly, irrevocably and unconditionally waives any right to have a jury participate in resolving any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, or in any way related to, this Assignment.

[SIGNATURES ON FOLLOWING PAGE]

DATED Effective as of March 12, 2020.

BORROWER:

David K. Whitlock, an individual

By: 

Name: David K. Whitlock

Title: an individual


STATE OF Oregon )

) ss.

COUNTY OF Klamath )

This instrument was acknowledged before me on 3/12/2020, 2020, by David K. Whitlock, an individual and the Borrower.



  
Notary Public for Oregon  
My commission expires: 10/1/2023



**EXHIBIT A**  
**REAL PROPERTY DESCRIPTION**

**ADDRESS:**

631 S 5th Street, Klamath Falls, OR 97601

**MAP AND TAX LOT:**

3809-032AD-06700

**LEGAL DESCRIPTION:**

Lot 6 in Block 104 of Klamath Addition, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.