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Vol M02 Page 58714

WHEN RECORDED RETURN TO:

John L. Snyder, Esq.  
 Sonnenschein Nath & Rosenthal  
 4520 Main Street, Suite 1100  
 Kansas City, MO 64111

State of Oregon, County of Klamath  
 Recorded 10/15/2002 2:59 P m.  
 Vol M02, Pg 58714-737  
 Linda Smith, County Clerk  
 Fee \$ 141 # of Pgs 24

*K58399*  
ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Agreement**") is effective as of October 15, 2002, by and among ELDORADO HEIGHTS ASSISTED LIVING COMMUNITY, LLC, an Oregon limited liability company ("**EHALC**"), SMITH'S ELDORADO HEIGHTS, LLC, an Oregon limited liability company ("**Smith's**"), HOWARD'S ELDORADO HEIGHTS, LLC, an Oregon limited liability company ("**Howard's**"), RINI WECTAWSKI LLC, an Oregon limited liability company ("**Rini**") (EHALC, Smith's, Howard's and Rini are referred to hereinafter collectively as "**New Borrower**"), JON M. HARDER ("**Harder**"), an individual ("**New Guarantor**"); ELDORADO HEIGHTS, L.L.C., an Oregon limited liability company ("**Original Borrower**"), PRESTIGE CARE INC., a Washington corporation ("**Prestige**"), PHILLIP G. FOGG, an individual ("**Fogg**"), RICHARD B. DELAMARTER, an individual ("**R. Delamarter**"), HAROLD G. DELAMARTER, an individual ("**H. Delamarter**"), GREGORY VISLOCKY, an individual ("**Vislocky**") (Prestige, Fogg, R. Delamarter, H. Delamarter, Vislocky are referred to hereinafter collectively as "**Original Guarantor**"); and CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, as trustee for the registered holders of Commercial Mortgage Bonds, Series 3, pursuant to that certain Series Supplement dated December 1, 1998, as amended ("**Holder**").

RECITALS

A. On August 31, 1998, Dynex Commercial, Inc., made a loan to Original Borrower in the original principal amount of FOUR MILLION AND NO/100 DOLLARS (\$4,000,000.00) ("**Loan**"), evidenced by the documents described on Exhibit A attached hereto and incorporated herein by reference (collectively, the "**Loan Documents**"), and secured by that certain real and personal property located in County of Klamath, State of Oregon, legally described on Exhibit B attached hereto and incorporated by reference herein ("**Property**"). The Loan and the Loan Documents were subsequently transferred to Lender.

B. New Borrower has requested that Holder consent to the transfer of the Property by Original Borrower to New Borrower, and to accept New Borrower and New Guarantor as the obligors, as applicable, under the Loan Documents.

AGREEMENTS

IN CONSIDERATION OF approval by Holder of the transfer of the Property to New Borrower and the assumption of the Loan Documents by New Borrower and New Guarantor, the parties do hereby agree as follows:

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1. New Borrower Assignment and Assumption. Original Borrower hereby assigns to New Borrower all of Original Borrower's rights, title, interest and liabilities in and under the Note (as defined in Exhibit A) and the other Loan Documents. New Borrower hereby accepts such assignment of such rights, title, interest and liabilities of Original Borrower in and under the Note and the other Loan Documents. New Borrower hereby assumes and agrees, for the benefit of Holder and its successors and assigns, to be bound by, observe and perform, all past (to the extent unsatisfied), present and future liabilities, terms, provisions, covenants and obligations of Original Borrower under the Note and the other Loan Documents, including, without limitation, all indemnities and guarantees. New Borrower agrees that it is bound by all of such terms and provisions, to promptly pay all such liabilities and to promptly observe and perform all such covenants and obligations, with the same force and effect as if New Borrower had originally executed and delivered the Note and the other Loan Documents instead of Original Borrower. Reference in any Loan Document, including the Note, to Original Borrower, therefore, henceforth shall be deemed a reference to New Borrower.

2. New Guarantor Assignment and Assumption. As a condition to Holder entering into this Agreement, Holder has required that New Guarantor assume the obligations of Original Guarantor under the Guaranty (as defined in Exhibit A) and the Indemnity (as defined in Exhibit A), and Holder would not be entering into this Agreement without such assumption of liability by New Guarantor. New Guarantor, jointly and severally, hereby assumes and agrees, for the benefit of Holder and its successors and assigns, to be bound by, observe and perform, all past (to the extent unsatisfied), present and future liabilities, terms, provisions, covenants and obligations of Original Guarantor under the Guaranty, the Indemnity and the other Loan Documents. New Guarantor agrees that it is bound by all of such terms and provisions, to promptly pay all such liabilities and to promptly observe and perform all such covenants and obligations, with the same force and effect as if New Guarantor had originally executed and delivered the Guaranty, the Indemnity and the other Loan Documents instead of Original Guarantor. Reference in any Loan Document, including the Guaranty and the Indemnity, to Original Guarantor, therefore, henceforth shall be deemed a reference to New Guarantor.

3. Consent to Assignment and Assumption. Subject to the conditions contained herein, Holder hereby consents to the assignment to New Borrower of all of the rights, title, interest and liabilities of Original Borrower in and under the Note and the other Loan Documents. Subject to the conditions contained herein, Holder hereby consents to the assignment to New Guarantor of all of the rights, title, interest and liabilities of Original Guarantor in and under the Guaranty, the Indemnity and the other Loan Documents.

4. Release of Original Borrower. Subject to the terms of this Agreement and as set forth below, Holder hereby releases Original Borrower from further liability under the Note and the other Loan Documents for any acts or events occurring after the date hereof (the "**Closing Date**"); provided, however, the provisions of this paragraph shall not: (i) constitute a waiver, release or impairment of any obligation under the Note or the other Loan Documents of Original Borrower for any acts or events occurring, or obligations arising prior to or simultaneously with, the Closing Date; (ii) impair the right of Holder to name Original Borrower, for purposes of extinguishing Original Borrower's interest in the Property, as a party defendant in any action or suit for judicial foreclosure and sale under the Deed of Trust, for purposes of appointment of a receiver for the Property; or (iii) impair the right of Holder to bring suit against Original

Borrower based upon any acts or events occurring, or obligations arising, prior to or simultaneously with, the closing of the sale of the Property from Original Borrower. Nothing contained in this paragraph shall: (1) be deemed to be a release or impairment of the indebtedness evidenced by the Note or the lien of any other Loan Document upon the Property; (2) preclude Holder from foreclosing the Loan Documents in case of any default or from enforcing any of the other rights of Holder except as stated in this paragraph; (3) release Original Guarantor from its liability under the Guaranty, the Indemnity and the other Loan Documents.

5. Confirmation of Balances.

a. Loan Balance. The parties hereby acknowledge and agree that the principal balance of the Note as of August 29, 2002, is \$3,748,287.90.

b. Replacement Reserve Balance. The parties hereby acknowledge and agree that the Replacement Reserve Fund (as defined in the Replacement Reserve Agreement) escrow balance as of August 29, 2002, is \$78,952.29.

c. Real Estate Taxes Escrow Balance. The parties hereby acknowledge and agree that the escrow balance for real estate taxes as of August 29, 2002, is \$12,160.92.

d. Hazard Insurance Escrow Balance. The parties hereby acknowledge and agree that the escrow balance for hazard insurance as of August 29, 2002, is \$12,550.32.

6. Payment of Costs and Expenses. New Borrower shall pay, concurrently with the execution of this Agreement all of Holder's legal, appraisal, title, closing and recording fees and expenses incurred in connection with New Borrower's assumption of the Loan, including without limitation, the cost of an endorsement to Holder's title insurance policy (showing no additional exceptions to title other than those shown on Holder's original title policy or policies) acceptable to Holder in Holder's sole discretion.

7. UCC-Financing Statements, Management Agreement and Additional Documentation. Concurrently with the execution of this Agreement, New Borrower shall execute a UCC Assignment to be filed with the Klamath County, Oregon, Real Estate Records of the Chancery Clerk, and the Oregon Secretary of State, modifying the Financing Statements (as described on Exhibit A) to reflect the provisions of this Agreement. New Borrower hereby authorizes new UCC-1 Financing Statements to be filed with the Klamath County, Oregon, Real Estate Records of the Chancery Clerk, and the Oregon Secretary of State. Concurrently with the execution of this Agreement, New Borrower and its management company shall execute an Assignment of Management Agreement and Subordination of Management Fees. New Borrower shall further provide any and all documentation and other information required by Holder in connection herewith, including, without limitation, resolutions of New Borrower, insurance certificates in compliance with Holder's requirements, payment of a 1% transfer fee, and satisfaction of any and all requirements under the Loan Documents (including, without limitation, satisfaction of the single-purpose entity requirements under the Deed of Trust).

8. Waiver. New Borrower does hereby waive the right, in the event of a default under or breach of any of the Loan Documents, to require Holder to proceed against Original Borrower or to pursue any other remedy in Holder's power.

9. Representations and Warranties. As of the date of this Agreement, Original Borrower, Original Guarantor, New Borrower and New Guarantor hereby jointly and severally represent and warrant to Holder as follows:

a. Authority. Execution, delivery and performance of this Agreement and any and all other Loan Documents or other documents executed and/or delivered in connection herewith have been authorized by all requisite partnership, company or corporate action and do not and will not violate its charter, partnership agreement, articles of organization, operating agreement, bylaws or articles of incorporation, as the case may be.

b. No Default. No default or event of default under any of the Loan Documents has occurred that remains uncured, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute a default or an event of default under any of the Loan Documents.

c. Representations and Warranties. All of the warranties and representations contained in the Loan Documents are true, correct, complete and accurate on the date of this Agreement, except as may be amended or changed due to this Agreement.

d. No New Liens. Original Borrower has granted no liens upon any of the Property or security interests in the collateral described in the Loan Documents, except for the liens and security interests granted in favor of Holder.

e. No Claims or Defenses. Original Borrower has no claims or counterclaims against Holder, no defenses to the enforcement of any of the Loan Documents in accordance with their respective terms, and no offsets to the obligations evidenced by the Loan Documents, and the Loan is not subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender or compromise.

10. Releases, Covenants Not to Litigate, and Assignments. In consideration for Holder's consent to the assumption of the Note and the other Loan Documents described herein, Original Borrower and Original Guarantor, jointly and severally, hereby agree as follows (Original Borrower and Original Guarantor are referred to herein, collectively, as the "**Releasing Parties**") (Holder, any loan servicers, and their respective officers, directors, shareholders, representatives, employees, servicers, agents, attorneys, trustees, partners, contractors, advisors, subsidiaries, affiliates, predecessors, successors or assigns shall be referred to herein, collectively, as the "**Released Parties**"):

a. Each of the Releasing Parties hereby: (i) fully and finally acquits, quitclaims, releases, relinquishes, waives and discharges each of the Released Parties of and from any and all obligations, claims, liabilities, damages, demands, debts, liens, deficiencies, suits, costs or cause or causes of action (including claims and causes of action for usury) to, of or for the benefit (whether directly or indirectly) of the Releasing Parties, or any or all of them, at law or in equity, known or unknown, contingent or otherwise, whether asserted or unasserted, whether now known or hereafter discovered, whether statutory, in contract or in tort, as well as any other kind or character of action now held, owned or possessed (whether directly or

indirectly) by the Releasing Parties or any or all of them on account of, arising out of, related to or concerning, whether directly or indirectly, proximately or remotely the Note, any other Loan Document or this Agreement; (ii) waives any and all defenses to payment of the Note for any reason; and (iii) waives any and all defenses, counterclaims or offsets to the Loan Documents (collectively, the "Released Claims");

b. In addition to the releases contained hereinabove, and not in limitation thereof, each of the Releasing Parties hereby agrees that none of them shall ever prosecute, or voluntarily aid in the prosecution of, any of the Released Claims, whether by claim, counterclaim or otherwise; and

c. If, and to the extent that, any of the Released Claims are, for any reason whatsoever, not released and discharged pursuant to the provisions of paragraph (a) above, each of the Releasing Parties hereby absolutely and unconditionally grants, sells, bargains, transfers, assigns and conveys unto Holder each and every one of the Released Claims and any proceeds, settlements and distributions relating thereto.

11. Further Assurances. Original Borrower, Original Guarantor, New Borrower and New Guarantor jointly and severally agree to perform such other and further acts, and to execute such additional documents, agreements, notices or financing statements, as Holder deems necessary or desirable from time to time to create, preserve, continue, perfect, validate or carry out any of Holder's rights under this Agreement and/or the other Loan Documents.

12. Bankruptcy Remote Single Purpose Entities. Anytime after the first anniversary of the execution of this Agreement, Holder may, in Holder's sole discretion, require that New Borrower take all necessary company action (including, but not limited to, revising and filing charter and control documents in form, substance and structure as may be reasonably required by Holder) in order for the New Borrower to become bankruptcy-remote single purpose entities.

13. Notices. Except as otherwise expressly provided herein, any notice, consent, approval, request, demand, document or other communication which any party is required or may desire to give, deliver or make to any other party pursuant to this letter shall be in writing, and may be personally delivered or given or delivered by United States registered or certified mail, return receipt requested, by overnight delivery service (e.g., Federal Express), or by telecopied transmission, with duplicate copies or communications of any notice delivered to all listed notice parties, addressed as follows:

Holder:	GMAC Commercial Mortgage Corporation 200 Witmer Road Horsham, Pennsylvania 19044 Attention: Michael Huggard Telephone No. (215) 328-1687 Facsimile No. (215) 328-0397
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with a copy to: Sonnenschein Nath & Rosenthal  
 4520 Main Street, Suite 3500  
 Kansas City, Missouri 64111  
 Attn: John L. Snyder, Esq.  
 Telephone No. (816) 460-2400  
 Facsimile No. (816) 531-7545

**Original Borrower and**

**Original Guarantor:** Eldorado Heights, L.L.C.  
 501 SE Columbia Shores Boulevard, Suite 300  
 Vancouver, Washington 98661  
 Attn: Gregory Vislocky  
 Telephone No. (360) 735-7155  
 Facsimile No. (360) 735-9416

**New Borrower and**

**New Guarantor:** Eldorado Heights Assisted Living Community, LLC  
 2735 12<sup>th</sup> Street S.E.  
 Salem, Oregon 97302  
 Attn: J. Wallace Gutzler, Esq.  
 Telephone No. (503) 375-9016  
 Facsimile No. (503) 585-7684

with a copy to: Jon M. Harder  
 2735 12<sup>th</sup> Street S.E.  
 Salem, Oregon 97302  
 Telephone No. (503) 375-9016  
 Facsimile No. (503) 375-0589

See attached Exhibit C for additional required notice parties for New Borrower.

and a copy to: Garrett, Hemann, Robertson, Jennings, Comstock & Trethewy, P.C.  
 1011 Commercial Street N.E., Suite 210  
 Salem, Oregon 97301  
 Attn: Vada A. Salinas  
 Telephone No. (503) 581-1501  
 Facsimile No. (503) 581-5891

14. Integration All rights, remedies, powers and interest provided for Holder herein are in addition to the rights, remedies, powers and interests provided for Holder in the Loan Documents, the terms and provisions of which are incorporated herein by this reference and made a part hereof. If and to the extent that any term or provision hereof is inconsistent with any term or provision of the Loan Documents, the term or provision of this Agreement shall prevail.

15. Entire Agreement; Amendments. This Agreement and the other Loan Documents contain the entire agreement between Original Borrower, Original Guarantor, New Borrower, New Guarantor and Holder with respect to the Loan Documents, and all prior negotiations,

provision of this Agreement, any Loan Document, or any other agreement executed in connection with any of the foregoing shall be effective unless in writing and signed by Holder.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.

17. Section Headings. The section headings of this Agreement are included for convenience only and shall not affect the construction or interpretation of any provision of this Agreement.

18. Attorneys' Fees. If any action or other proceeding is brought to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to recover attorneys' fees and expenses.

19. Binding Effect. This Agreement and the other Loan Documents shall be binding upon, and shall inure to the benefit of, Original Borrower, Original Guarantor, New Borrower, New Guarantor and Holder and their respective successors and permitted assigns, or heirs and personal representatives.

20. Severability of Provisions. No provision of this Agreement or of any Loan Document that is held to be inoperative, unenforceable and invalid shall affect the remaining provisions, and this and all provisions of this Agreement and the Loan Documents are hereby declared to be severable.

21. Amendment. A reference to the Loan Documents shall be deemed a reference to such document as modified hereby. Except as expressly amended herein, the Note, Deed of Trust and the other Loan Documents remain unmodified and in full force and effect.

22. 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.

23. Exhibits. All exhibits referenced to in this Agreement are incorporated herein by reference as though fully set forth herein.

24. Reservation of Rights. Except as provided in Section 4, nothing contained in this Agreement shall prevent or in any way diminish or interfere with any rights or remedies, including, without limitation, the right to contribution, which Holder may have against Original Borrower, New Borrower or any other party under the comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified at Title 42, U.S.C. §9601 *et seq.*), as it may be amended from time to time, any successor statute thereto or any other applicable federal, state or local laws, all such rights being hereby expressly reserved.

25. Rights Cumulative; Enforcement. Holder's rights under this Agreement shall be in addition to all of the rights of Holder under the Note, the other Loan Documents or available at law or in equity. This Agreement is subject to enforcement by Holder at law or in equity, including, without limitation, actions for damages or specific performance.

26. Reliance. Holder would not have consented to the transfer of the Property and the other transactions specified herein without Original Borrower and New Borrower entering into this Agreement. Accordingly, Original Borrower and New Borrower intentionally and unconditionally enter into the covenants and agreements as set forth above and understand that, in reliance upon and in consideration of such covenants and agreements, Holder has consented to the transfer of the Loan and the Property and, as part and parcel thereof, specific monetary and other obligations have been, are being and shall be entered into which would not take place but for such reliance.

27. Waiver of Trial By Jury ORIGINAL BORROWER, NEW BORROWER, ORIGINAL GUARANTOR AND NEW GUARANTOR HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THE APPLICATION FOR THE LOAN, THE NOTE, THE LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF HOLDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

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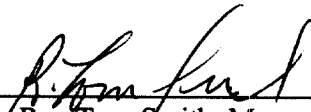
IN WITNESS WHEREOF Borrower and Agent have executed this Assignment as of the date first written above.

**BORROWER:**

ELDORADO HEIGHTS ASSISTED LIVING  
COMMUNITY, LLC,  
an Oregon limited liability company

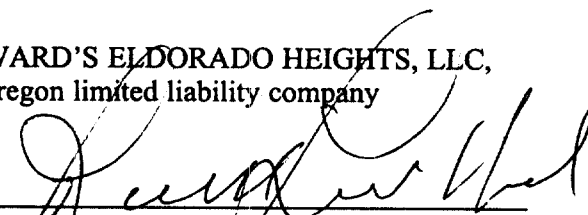
By: \_\_\_\_\_  
Jon M. Harder, Manager

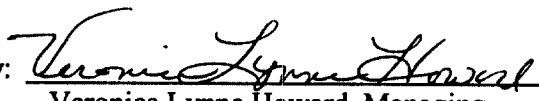
SMITH'S ELDORADO HEIGHTS, LLC,  
an Oregon limited liability company

By:   
Ray Tom Smith, Managing Member

By:   
Marcella J. Smith, Managing Member

HOWARD'S ELDORADO HEIGHTS, LLC,  
an Oregon limited liability company

By:   
Robert Lee Howard, Managing Member

By:   
Veronica Lynne Howard, Managing  
Member

**NEW BORROWER:**

SMITH'S ELDORADO HEIGHTS, LLC,  
an Oregon limited liability company

By: *Ray Tom Smith*  
Ray Tom Smith, Managing Member

By: *Marcella J. Smith*  
Marcella J. Smith, Managing Member

STATE OF *Oregon* )  
COUNTY OF *Mauion* ) ss.

3<sup>rd</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this \_\_\_ day of October, 2002, by Ray Tom Smith, a managing member of Smith's Eldorado Heights, LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as his free act and deed individually and the free act and deed of said company.



*Sandy Hager*  
Notary Public  
Name: *Sandy Hager*  
(typed or printed)

My Commission Expires:

*3-22-04*

STATE OF *Oregon* )  
COUNTY OF *Mauion* ) ss.

3<sup>rd</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this \_\_\_ day of October, 2002, by Marcella J. Smith, a managing member of Smith's Eldorado Heights, LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as her free act and deed individually and the free act and deed of said company.



*Sandy Hager*  
Notary Public  
Name: *Sandy Hager*  
(typed or printed)

My Commission Expires:

*3-22-04*

## NEW BORROWER:

HOWARD'S ELDORADO HEIGHTS, LLC,  
an Oregon limited liability company

By: [Signature]  
Robert Lee Howard, Managing Member

By: [Signature]  
Veronica Lynne Howard, Managing Member

STATE OF Oregon )  
COUNTY OF Marion ) ss.

3<sup>rd</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this day of October, 2002, by Robert Lee Howard, a managing member of Howard's Eldorado Heights, LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as his free act and deed individually and the free act and deed of said company.



[Signature]  
Notary Public  
Name: Sandy Hager  
(typed or printed)

My Commission Expires:

3-22-04

STATE OF Oregon )  
COUNTY OF Marion ) ss.

3<sup>rd</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this day of October, 2002, by Veronica Lynne Howard, a managing member of Howard's Eldorado Heights, LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as her free act and deed individually and the free act and deed of said company.



[Signature]  
Notary Public  
Name: Sandy Hager  
(typed or printed)

My Commission Expires:

3-22-04

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RINI WECTAWSKI LLC,  
an Oregon limited liability company

By: Paula Rini  
Paula Rini, Managing Member

By: Daniel R. Wectawski  
Daniel R. Wectawski, Managing Member

AGENT:

SUNWEST MANAGEMENT, INC.  
an Oregon corporation

By: \_\_\_\_\_  
Jon M. Harder, President

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**NEW BORROWER:**

RINI WECTAWSKI LLC,  
an Oregon limited liability company

By: Paula Rini  
Paula Rini, Managing Member

By: Daniel R. Wectawski  
Daniel R. Wectawski, Managing Member

STATE OF Oregon )  
COUNTY OF Lane ) ss.

3rd The foregoing Assignment and Assumption Agreement was acknowledged before me this day of October, 2002, by Paula Rini, a managing member of Rini Wectawski LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as her free act and deed individually and the free act and deed of said company. \*\*\*and Daniel R. Wectawski, Managing Member of Rini Wectawski LLC.



Terie A. Stephenson  
Notary Public

Name: TERIE' A. STEPHENSON  
(typed or printed)

My Commission Expires:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

The foregoing Assignment and Assumption Agreement was acknowledged before me this \_\_\_\_ day of October, 2002, by Daniel R. Wectawski, a managing member of Rini Wectawski LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as his free act and deed individually and the free act and deed of said company.

\_\_\_\_\_  
Notary Public

Name: \_\_\_\_\_  
(typed or printed)

My Commission Expires:

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above written.

**NEW BORROWER:**

ELDORADO HEIGHTS ASSISTED LIVING COMMUNITY, LLC, an Oregon limited liability company

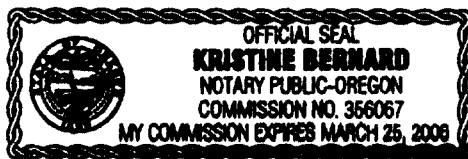
By: \_\_\_\_\_

Jon M. Harder, Manager

STATE OF Oregon )

COUNTY OF Marion ) ss.

The foregoing Assignment and Assumption Agreement was acknowledged before me this 4<sup>th</sup> day of October, 2002, by Jon M. Harder, the Manager of Eldorado Heights Assisted Living Community, LLC, an Oregon limited liability company, duly authorized: that said instrument was signed as his free act and deed individually and the free act and deed of said company.



Notary Public

Name: \_\_\_\_\_

(typed or printed)

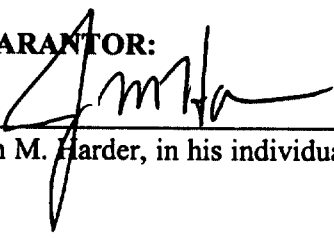
My Commission Expires:

3-25-06

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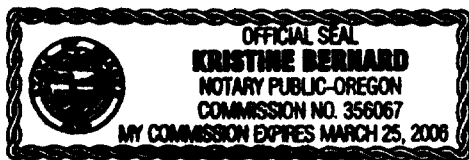
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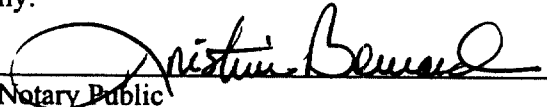
NEW GUARANTOR:

By:   
Name: Jon M. Harder, in his individual capacity

STATE OF Oregon )  
COUNTY OF Marion ) ss.

4<sup>th</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this day of October, 2002, by Jon M. Harder, an individual, duly authorized: that said instrument was signed as his free act and deed individually.



  
Notary Public  
Name: Kristine Bernard  
(typed or printed)

My Commission Expires:

3-25-06

[SIGNATURES/ACKNOWLEDGMENTS CONTINUED ON FOLLOWING PAGE]

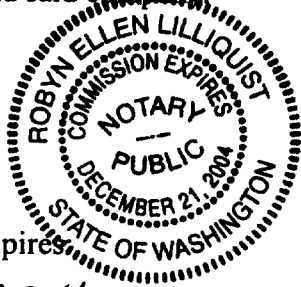
## ORIGINAL BORROWER:

ELDORADO HEIGHTS, L.L.C.,  
an Oregon limited liability company

By: *Greg Vislocky*Name: *Gregory J. Vislocky*Title: *Member*

STATE OF *Washington* )  
COUNTY OF *Clark* ) ss.

*6th* The foregoing Assignment and Assumption Agreement was acknowledged before me this day of September, 2002, by *Greg Vislocky*, the *Member* of Eldorado Heights, L.L.C., an Oregon limited liability company, duly authorized: that said instrument was signed as his/her free act and deed individually and the free act and deed of said \_\_\_\_\_ and said company.



*Robyn Ellen Lillquist*  
Notary Public

Name: *Robyn Ellen Lillquist*

(typed or printed)

My Commission Expires

*12-21-2004*

[SIGNATURES/ACKNOWLEDGMENTS CONTINUED ON FOLLOWING PAGE]

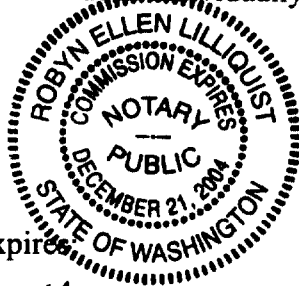


## ORIGINAL GUARANTOR:

Gregory Vislocky  
 Gregory Vislocky, in his individual capacity

STATE OF washington )  
 ) ss.  
 COUNTY OF clark )

6<sup>th</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this day of September, 2002, by Gregory Vislocky, an individual, that said instrument was signed as his free act and deed individually.



Robyn Ellen Lillquist  
 Notary Public

Name: Robyn Ellen Lillquist  
 (typed or printed)

My Commission Expires

12-21-2004

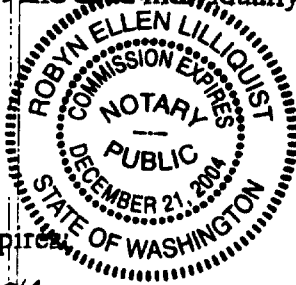
[SIGNATURES/ACKNOWLEDGMENTS CONTINUED ON FOLLOWING PAGE]

58731

Richard B. Delamarter, in his individual capacity

STATE OF Washington  
COUNTY OF Clark } ss.

6<sup>th</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this day of September, 2002, by Richard B. Delamarter, an individual, that said instrument was signed as his free act and deed individually.



Robyn Ellen Lillquist  
Notary Public

Name:

Robyn Ellen Lillquist  
(typed or printed)

My Commission Expires

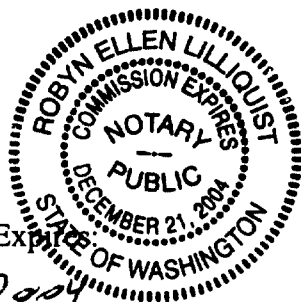
12-21-2004

[SIGNATURES/ACKNOWLEDGMENTS CONTINUED ON FOLLOWING PAGE]

Harold G. Delamarter  
 Harold G. Delamarter, in his individual capacity

STATE OF Washington )  
 ) ss.  
 COUNTY OF Clark )

The foregoing Assignment and Assumption Agreement was acknowledged before me this \_\_\_ day of September, 2002, by Harold G. Delamarter, an individual, that said instrument was signed as his free act and deed individually.



My Commission Expires

12-21-2004

Robyn Ellen Lillquist  
 Notary Public

Name: Robyn Ellen Lillquist  
 (typed or printed)

[SIGNATURES/ACKNOWLEDGMENTS CONTINUED ON FOLLOWING PAGE]

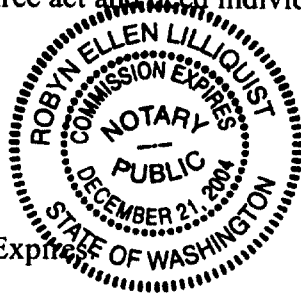
58733

PRESTIGE CARE INC.,  
a Washington corporation

By: [Signature]  
Name: Harold Delamater  
Title: CEO

STATE OF Washington )  
COUNTY OF Clark ) ss.

6<sup>th</sup> The foregoing Assignment and Assumption Agreement was acknowledged before me this 6<sup>th</sup> day of September, 2002, by Harold Delamater, the CEO of Prestige Care, Inc., a Washington corporation, duly authorized: that said instrument was signed as his/her free act and deed individually and the free act and deed of said corporation.



[Signature]  
Notary Public

Name: Robyn Ellen Lillquist  
(typed or printed)

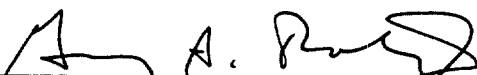
My Commission Expires 12-21-2004

58734

**HOLDER:**

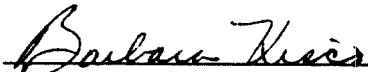
**CHASE BANK OF TEXAS, NATIONAL ASSOCIATION**, as trustee for the registered holders of Commercial Mortgage Bonds, Series 3, pursuant to that certain Series Supplement dated December 1, 1998, as amended

By: **GMAC COMMERCIAL MORTGAGE CORPORATION**, a California corporation, as sub-servicer

By:   
Name: **GARY A. ROUTZAHN**  
Its: **VICE PRESIDENT**

STATE OF PENNSYLVANIA  
COUNTY OF MONTGOMERY ss.

The foregoing Assignment and Assumption Agreement was acknowledged before me this \_\_\_\_ day of October, 2002, by GARY ROUTZAHN the V.P. of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation, sub-servicer for CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, as trustee for the registered holders of Commercial Mortgage Bonds, Series 3, pursuant to that certain Series Supplement dated December 1, 1998, as amended, on behalf of said entity.

  
Notary Public

Name: BARBARA VISCO  
(typed or printed)

My Commission Expires:

\_\_\_\_\_

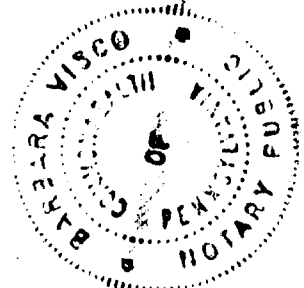
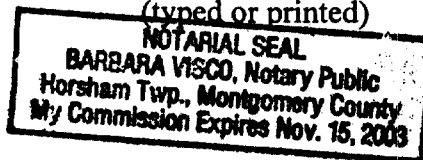


EXHIBIT A

The following are the Loan Documents, which, if recorded, are recorded as indicated below:

1. Promissory Note, dated as of August 31, 1998 ("**Note**"), executed by Original Borrower as maker, in favor of Dynex Commercial, Inc., as holder.
2. Deed of Trust and Security Agreement, dated of even date with the Note, and recorded with the Klamath County, Oregon, mortgage records ("**Recorder**"), on October 1, 1998, in Volume M98, on Page 32191 ("**Deed of Trust**").
3. Environmental Indemnity Agreement ("**Indemnity**"), dated of even date with the Note.
4. Assignment of Leases and Rents ("**Assignment of Leases and Rents**"), dated of even date with the Note and recorded with the Recorder on October 1, 1998, in Volume M98, Page 32254.
5. UCC-1 Financing Statement dated of even date with the Note and recorded with the Recorder on October 1, 1998, in Volume M98, Page 32269.
6. Guaranty of Obligations of Borrower ("**Guaranty**") dated of even date with Note.
7. Any and all other loan documentation including, but not limited to, additional guaranty agreements, executed in connection with the Loan.

EXHIBIT B

(Legal Description)

The following described real property situated in Klamath County, Oregon:

PARCEL 1: A parcel of land situated in portions of Vacated Blocks 2, 3, 6, 7, 9 and 10, Eldorado Addition to the City of Klamath Falls, Oregon, in the County of Klamath, State of Oregon, more particularly described as follows: Beginning at a point being the intersection of the Southerly right of way line of Eldorado Boulevard and Northwest right of way line of Sloan Street; thence South  $38^{\circ}16'30''$  West along said right of way line of Sloan Street, a distance of 576.60 feet to the South right of way line of Dahlia Street; thence North  $51^{\circ}43'30''$  West along said right of way line, a distance of 25.00 feet; thence South  $38^{\circ}16'30''$  West a distance of 100.00 feet; thence North  $51^{\circ}43'30''$  West a distance of 175.00 feet; thence North  $38^{\circ}16'30''$  East a distance of 668.38 feet, to a point on the Southerly right of way line of Eldorado Boulevard; thence Southeasterly along the arc of a  $8^{\circ}28'30''$  curve to the right, a distance of 200.77 feet to the point of beginning.

PARCEL 2: Lot 2, Block 10, Eldorado Addition to the City of Klamath Falls, EXCEPTING THEREFROM the Southeasterly 19 feet, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

EXHIBIT C

(Additional New Borrower Notice Parties)

Howard's Eldorado Heights, LLC  
8172 SW Lori Way  
Beaverton, Oregon 97007

Smith's Eldorado Heights, LLC  
2377 NW Birkendene Street  
Portland, Oregon 97229

Rini Wectawski LLC  
2173 Essex Lane  
Eugene, Oregon 97403