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RECORDATION REQUESTED BY:

PremierWest Bank
Kane Street Branch
555 SE Kane Street
P. O. Box 1007
Roseburg, OR 97470

State of Oregon, County of Klamath
Recorded 06/29/2004 2:58p m
Vol M04 Pg 42216-18
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

WHEN RECORDED MAIL TO:

PremierWest Bank
Kane Street Branch
P. O. Box 1007
Roseburg, OR 97470

SEND TAX NOTICES TO:

Plum Ridge Care Community, LLC
3723 Fairview Industrial Drive
Salem, OR 97302

405855

FOR RECORDER'S USE ONLY

LANDLORD'S CONSENT TO ASSIGNMENT

THIS LANDLORD'S CONSENT TO ASSIGNMENT is entered into among Plum Ridge Care Community, LLC ("Borrower"), whose address is 3723 Fairview Industrial Drive, Salem, OR 97302; PremierWest Bank ("Lender"), whose address is Kane Street Branch, 555 SE Kane Street, P. O. Box 1007, Roseburg, OR 97470; and Merle West Medical Center, Inc. ("Landlord"), whose address is 2865 Daggett Avenue, Klamath Falls, OR 97601. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows.

COLLATERAL DESCRIPTION. The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest, including without limitation the following specific property:

1401 Bryant Williams Drive, Klamath Falls, OR 97601

BORROWER'S ASSIGNMENT OF LEASE. Borrower hereby assigns to Lender all of Borrower's rights in the Lease, as partial security for the Loan. The parties intend that this assignment will be a present transfer to Lender of all of Borrower's rights under the Lease, subject to Borrower's rights to use the Premises and enjoy the benefits of the Lease while not in default on the Loan or Lease. Upon full performance by Borrower under the Loan, this assignment shall be ended, without the necessity of any further action by any of the parties. This assignment includes all renewals of and amendments to the Lease or the Loan, until the Loan is paid in full. No amendments may be made to the Lease without Lender's prior written consent, which shall not be unreasonably withheld or delayed.

CONSENT OF LANDLORD. Landlord consents to the above assignment. If Borrower defaults under the Loan or the Lease, Lender may reassign the Lease, and Landlord agrees that Landlord's consent to any such reassignment will not be unreasonably withheld or delayed. So long as Lender has not entered the Premises for the purpose of operating a business, Lender will have no liability under the Lease, including without limitation liability for rent. Whether or not Lender enters into possession of the Premises for any purpose, Borrower will remain fully liable for all obligations of Borrower as lessee under the Lease. While Lender is in possession of the Premises, Lender will cause all payments due under the Lease and attributable to that period of time to be made to Landlord. If Lender later reassigns the Lease or vacates the Premises, Lender will have no further obligation to Landlord.

LEASE DEFAULTS. Both Borrower and Landlord agree and represent to Lender that, to the best of their knowledge, there is no breach or offset existing under the Lease or under any other agreement between Borrower and Landlord. Landlord agrees not to terminate the Lease, despite any default by Borrower, without giving Lender written notice of the default and an opportunity to cure the default within a period of sixty (60) days from the receipt of the notice. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy, or other judicial proceedings against Borrower), then Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which Lender is in possession of the Premises, or so long as Lender reassigns the Lease to a new lessee reasonably satisfactory to Landlord.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement: This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. If Landlord is other than an individual, any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors on the Loan, or any Collateral for the Loan; including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness.

AMENDMENTS. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

NO WAIVER BY LENDER. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given 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 Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Landlord, shall constitute a waiver of any of Lender's rights or of any of Landlord's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

SEVERABILITY. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Landlord's Consent to Assignment, as this Landlord's Consent to Assignment may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Consent to Assignment from time to time.

Borrower. The word "Borrower" means Plum Ridge Care Community, LLC and includes all co-signers and co-makers signing the Note.

Collateral. The word "Collateral" means all of Borrower's right, title and interest in and to all the Collateral as described in the

LANDLORD'S CONSENT TO ASSIGNMENT
(Continued)

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Landlord. The word "Landlord" means Merle West Medical Center, Inc., and is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor or lienholder, or that of any other holder of an interest in the Premises which may be, or may become, prior to the interest of Lender.

Lease. The word "Lease" means that certain lease of the Premises, dated June 8, 2001, between Landlord and Borrower. The Lease was recorded as follows: Vol M01 Page 27305, 27306, 27307 in the Official Records of the Klamath County Clerk.

Lender. The word "Lender" means PremierWest Bank, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced.

Premises. The word "Premises" means the real property legally described as:

See Exhibit "A" for Legal Description Property tax Identification number is 752064.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

BORROWER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S CONSENT TO ASSIGNMENT, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 23, 2004.

BORROWER:

PLUM RIDGE CARE COMMUNITY, LLC

By: [Signature]
Jon M. Harder, Managing Member of Plum Ridge Care Community, LLC

By: [Signature]
Darryl E. Fisher, Managing Member of Plum Ridge Care Community, LLC

LANDLORD:

MERLE WEST MEDICAL CENTER, INC.

By: [Signature]
Authorized Signer for Merle West Medical Center, Inc.

By: [Signature]
Authorized Signer for Merle West Medical Center, Inc.

LENDER:

PREMIERWEST BANK

X [Signature]
Authorized Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Oregon)
) SS
COUNTY OF Marion)



On this 25th day of June, 20 04, before me, the undersigned Notary Public, personally appeared Jon M. Harder, Managing Member; Darryl E. Fisher, Managing Member of Plum Ridge Care Community, LLC, and known to me to be members or designated agents of the limited liability company that executed the Landlord's Consent to Assignment and acknowledged the Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the limited liability company.

By [Signature]
Notary Public in and for the State of Oregon

Residing at Salem
My commission expires 9/4/05

LANDLORD'S CONSENT TO ASSIGNMENT
(Continued)

Loan No: 443037280

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CORPORATE ACKNOWLEDGMENT

STATE OF ORegon

COUNTY OF Klamath

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On this 29th day of JUNE, 2004, before me, the undersigned Notary Public, personally appeared Stephen Andrew Rybolt

and known to me to be (an) authorized agent(s) of the corporation that executed the Landlord's Consent to Assignment and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By [Signature]

Residing at Keno Oregon

Notary Public in and for the State of Oregon

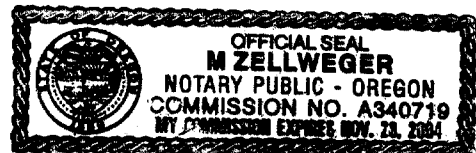
My commission expires 12-27-05

LENDER ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF DOUGLAS

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) SS
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On this 23RD day of JUNE, 2004, before me, the undersigned Notary Public, personally appeared CHRIS CLARK and known to me to be the VICE PRESIDENT

AND, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By M. Zellweger

Residing at ROSEBURG, OREGON

Notary Public in and for the State of OREGON

My commission expires 11-28-2004