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Vol M05 Page 55699

APN: 752064

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:

Loan No: 1095-06-05

Vestin Mortgage, Inc.
8379 W. Sunset Road
Las Vegas, NV 89113

State of Oregon, County of Klamath

Recorded 07/20/05 11:43a m

Vol M05 Pg 55699-707

Linda Smith, County Clerk

Fee \$ 6100 # of Pgs 9

MAIL TAX STATEMENTS TO:
Plum Ridge Care Community, LLC
3723 Fairview Industrial Drive SE,
Suite 270, P.O. Box 3006
Salem, Oregon 97302

1587950

ASSIGNMENT OF LEASES AND RENTS

This Assignment of Leases and Rents (this "**Assignment**"), made as of this 15th day of July, 2005, by PLUM RIDGE CARE COMMUNITY, LLC, an Oregon limited liability company (the "**Assignor**"), whose address is 3723 Fairview Industrial Drive SE, Suite 270, Salem, Oregon, 97302 to VESTIN MORTGAGE, INC., a Nevada corporation, whose address is 8379 W. Sunset Road, Las Vegas, Nevada 89113 (the "**Assignee**").

RECITALS:

The following recitals are true and correct:

A. Assignor has executed and delivered to Assignee that certain Promissory Note Secured by Leasehold Deed of Trust (the "**Note**") of even date herewith in the principal amount of Four Million Six Hundred Thousand Dollars (\$4,600,000.00), and as security for the Note Assignor has executed and delivered in favor of Assignee a Leasehold Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (the "**Deed of Trust**") of even date herewith covering certain real property located in the County of Klamath, State of Oregon and more particularly described in Exhibit A which is attached hereto and incorporated herein by reference, together with all buildings, improvements and other property more particularly described in the Deed of Trust, and all fixtures, furnishings, machinery, equipment and other tangible property owned by Assignor and located on or used in connection with such real property (all of which real and personal properties are herein called the "**Property**"). That certain Loan Agreement of even date herewith executed by and between Assignor and Assignee, the Note, this Assignment, the Deed of Trust, that certain Security Agreement of even date herewith executed by Assignor in favor of Assignee evidencing a security interest in favor of Assignee in all of Assignor's tangible and intangible personal property used in connection with, located at, arising from or pertaining to the Property, that certain Guaranty of even date herewith executed by SUNWEST MANAGEMENT, INC., JON

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HARDER, KRISTIN HARDER, DARRYL E. FISHER and CAROL L. FISHER (collectively "Guarantor") in favor of Assignee, that certain Environmental Indemnity Agreement of even date herewith executed by Assignor and Guarantor in favor of Assignee pertaining to the Property, that certain Assignment of Agreements of even date herewith executed by Assignor in favor of Assignee in connection with the development of the Property, and any other agreement or instrument now or hereafter evidencing, governing or securing the loan (the "**Loan**") evidenced by the Note are hereinafter collectively called "**Loan Documents**" and singularly called a "**Loan Document**".

B. In connection with the execution and delivery of the Note, Assignee has required that Assignor absolutely assign to Assignee all of Assignor's right, title and interest in, to and under any and all leases (hereinafter collectively referred to as the "**Leases**" and singularly as a "**Lease**") now or hereafter in existence (as amended or supplemented from time to time) and covering space in or applicable to the Property, and Assignor desires and intends by this Assignment to absolutely assign to Assignee all of Assignor's right, title and interest in, to and under the Leases.

THEREFORE, Assignor agrees as follows:

1. Assignor does hereby absolutely and unconditionally grant, transfer, bargain, sell, assign, convey, and set over unto Assignee, its successors and assigns, as security for the indebtedness secured by the Deed of Trust, all of the right, title and interest of Assignor in, to and under the Leases, together with all rents, earnings, Income (as such term is hereinafter defined), profits, benefits and advantages arising from the Property, and from said Leases and all other sums due or to become due under and pursuant thereto, and together with any and all guarantees of or under any of said Leases, and together with all rights, powers, privileges, options and other benefits of Assignor as lessor under the Leases, including, without limitation, the immediate and continuing right to receive and collect all rents, Income, revenues, issues, profits, condemnation awards, insurance proceeds, moneys and security payable or receivable under the Leases or pursuant to any of the provisions thereof, whether as rent or otherwise, the right to accept or reject any offer made by any tenant pursuant to its Lease to purchase the Property and any other property subject to the Lease as therein provided and to perform all other necessary or appropriate acts with respect to such Leases as agent and attorney-in-fact for Assignor, and the right to make all waivers and agreements, to give and receive all notices, consents and releases, to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or by any law, and to do any and all other things whatsoever which the Assignor is or may become entitled to do under any such Lease. It is intended by Assignor that this Assignment constitute a present, absolute assignment of the Leases and Income, and not an assignment for additional security only. Notwithstanding the provisions of this Section 1, so long as no Event of Default as defined in the Deed of Trust (an "**Event of Default**") has occurred, Assignor shall have the revocable right and revocable license to occupy the Property as landlord or otherwise and to collect, use and enjoy the rents, issues and profits and other sums payable under and by virtue of any Lease (but only as the same become due under the provisions of such Lease) and to enforce the covenants of the

Leases; provided that after any such Event of Default, any amounts collected by Assignor shall be held by Assignor in trust for the benefit of Assignee for use in the payment of all sums due on the Loan. "*Income*" shall include, without limitation, all rent, security or similar deposits, revenues, issues, royalties, earnings, products or proceeds, profits or income.

2. This Assignment is made and given and shall remain in full force and effect until: (a) the payment in full of all principal, interest and other sums due under the Note; and (b) the performance and observance by Assignor of all of the terms, covenants and conditions to be performed or observed by Assignor under the Note and the other Loan Documents.

3. Assignor represents, warrants, covenants and agrees: (a) that Assignor has good right and authority to make this Assignment, and Assignor holds the entire and unencumbered rights of the landlord under each of the Leases; (b) that neither Assignor nor any predecessor lessor has heretofore alienated, assigned, pledged or otherwise disposed of or encumbered the Leases, which remains effective as of the date hereof, or any of the sums due or to become due thereunder, and that neither Assignor nor any predecessor lessor has performed any acts or executed any other instruments which might prevent Assignee from operating under any of the terms and conditions of this Assignment or which would limit Assignee in such operation; (c) that Assignor has not accepted or collected rent or any other payments under any Lease, other than required security deposits, for any period subsequent to the current period for which such rent or other payment has already become due and payable; (d) that Assignor has not executed or granted any amendment or modification whatever of any of the Leases, either orally or in writing, which deviate from the Lease terms; (e) there is no default under any of the Leases now existing and no event has occurred and is continuing which, with the lapse of time or the giving of notice or both, would constitute an event of default under any of the Leases; (f) that Assignor will observe, perform and discharge, duly and punctually, all and singular the obligations, terms, covenants, conditions and warranties of the Note, the Deed of Trust, this Assignment or any other Loan Document and any Lease, on the part of Assignor to be kept, observed and performed; (g) to enforce the performance of each and every obligation, term, covenant, condition and agreement in said Leases by any tenant to be performed; (h) to appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with said Leases, or the obligations, duties or liabilities of Assignor or any tenant thereunder, and upon request by Assignee to do so in the name and on behalf of Assignee, but at the expense of Assignor; (i) that Assignor will, upon the request of Assignee, execute and deliver to Assignee such further instruments and do and perform such other acts and things as Assignee may deem reasonably necessary or appropriate to make effective this Assignment and the various covenants of Assignor herein contained, and to more effectively vest in and secure to Assignee the sums due or hereafter to become due under the Leases, including, without limitation, the execution of such additional assignments as shall be deemed necessary by Assignee effectively to vest in and secure to Assignee all Income and all rents, income and profits from any and all Leases; (j) that Assignor will from time to time, deliver to Assignee a true, correct and complete copy of each and every Lease then affecting all or any portion of the Property; and (k) that in the event any warranty or representation of

Assignor herein shall be false, misleading or materially inaccurate, or Assignor shall default in the observance or performance of any obligation, term, covenant or condition hereof, then, in each instance at the option of Assignee, the same shall constitute and be deemed to be a default hereunder, under the Note and under the Deed of Trust, thereby giving Assignee the absolute right to declare all sums secured thereby and hereby immediately due and payable and to exercise any and all rights and remedies provided thereunder and hereunder as well as such remedies as may be available at law or in equity.

4. Assignor covenants and agrees that it will not, without in each instance the prior written consent of Assignee, or except as permitted in the Deed of Trust: (a) cancel any Lease nor accept a surrender thereof; (b) reduce the rent payable under any Lease nor accept payment of any installment of rent in advance of the due date thereof; (c) change, amend, alter or modify any Lease or any of the terms or provisions thereof, nor grant any concession in connection therewith; (d) consent to the release or reduction of the obligations of the tenant under any Lease; (e) assign, pledge, encumber or otherwise transfer any Lease or Assignor's rights thereunder; (f) consent to an assignment of tenant's interest under any Lease or to a subletting thereof, except to the extent any such assignment or subletting is specifically authorized by such Lease; or (g) incur any indebtedness to the tenant or guarantor of any Lease, for borrowed money or otherwise, which may under any circumstances be availed of as an offset against the rent or other payments due thereunder; and any of the above acts, if done without the consent of Assignee, shall be, at the option of Assignee, null and void and shall constitute a default hereunder.

5. Assignor hereby consents to and irrevocably authorizes and directs the tenants under the Leases and any successor to the interest of any of said tenants, upon demand and notice from Assignee of Assignee's right to receive the rents and other amounts due under such Leases, to pay to Assignee the rents and other amounts due or to become due under the Leases, and said tenants shall have the right to rely upon such demand and notice from Assignee and shall pay such rents and other amounts to Assignee without any obligation or right to determine the actual existence of any default or event claimed by Assignee as the basis for Assignee's right to receive such rents and other amounts and notwithstanding any notice from or claim of Assignor to the contrary, and Assignor shall have no right to claim against said tenants for any such rents and other amounts so paid by said tenants to Assignee.

6. Upon the occurrence of an Event of Default, the right and license granted to Assignor in Section 1 above shall be automatically revoked and Assignee, at its option, shall have the complete right, power and authority (a) without taking possession, to demand, collect and receive and sue for (i) the Income, and (ii) rents and other sums payable under the Leases and, after deducting all reasonable costs and expenses of collection (including, without limitation, attorneys' fees) as determined by Assignee, apply the net proceeds thereof to the payment of any indebtedness secured hereby; (b) to declare all sums secured hereby immediately due and payable, and, at its option, exercise any or all of the rights and remedies contained in the Note and in the Loan Documents;

and (c) without regard to the adequacy of the security, with or without process of law, personally or by agent or attorney, or by a receiver to be appointed by court, then and thereafter to enter upon, take and maintain possession of and operate the Property, or any part thereof, together with all documents, books, records, papers, and accounts relating thereto and exclude Assignor and its agents and servants therefrom, and hold, operate, manage and control the Property, or any part thereof, as fully and to the same extent as Assignor could do if in possession and in such event, without limitation and at the expense of Assignor, from time to time cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the Property, or any part thereof, as Assignee deems judicious, and pay taxes, assessments and prior or proper charges on the Property, or any part thereof, and insure and reinsure the same, and lease the Property, or any part thereof, for such terms and on such terms as Assignee deems desirable, including leases for terms expiring beyond the maturity of the indebtedness secured by the Loan Documents and cancel any Lease or sublease thereof for any cause or on any ground which would entitle Assignor to cancel the same.

7. After payment of all proper charges and expenses, including the just and reasonable compensation for the services of Assignee, its attorneys, agents, clerks, servants and others employed by Assignee in connection with the operation, management and control of the Property and the conduct of the business thereof, and such further sums as may be sufficient to indemnify Assignee from and against any liability, loss or damage on account of any matter or thing done in good faith in pursuance of the rights and powers of Assignee hereunder, Assignee may, at its option, credit the net amount of Income which Assignee may receive by virtue of this Assignment and from the Property to any and all amounts due or owing to Assignee from Assignor under the terms and provisions of the Note and the Loan Documents.

8. The acceptance by Assignee of this Assignment, with all of the rights, powers, privileges and authority so created, shall neither be deemed or construed to constitute Assignee a mortgagee in possession nor at any time or in any event to impose any obligation whatsoever upon Assignee to appear in or defend any action or proceeding relating to the Leases or the Property, or to take any action hereunder, or to expend any money or incur any expenses, or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Assignor by any tenant and not assigned and delivered to Assignee, or render Assignee liable in any way for any injury or damage to person or property sustained by any person or entity in, on, or about the Property.

9. Assignor agrees that the collection of Income and rents and the application thereof as aforesaid or the entry upon and taking of possession of the Property, or any part thereof, by Assignee shall not cure or waive any default, or waive, modify or affect any notice of default under the Note or the Loan Documents, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right

or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

10. The rights and remedies of Assignee hereunder are cumulative and not in lieu of, but are in addition to, any rights or remedies which Assignee shall have under the Note, any of the Loan Documents, or at law or in equity, which rights and remedies may be exercised by Assignee either prior to, simultaneously with, or subsequent to, any action taken hereunder. The rights and remedies of Assignee may be exercised from time to time and as often as such exercise is deemed expedient, and the failure of Assignee to avail itself of any of the terms, provisions and conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

11. The right of Assignee to collect and receive the Income and the rents assigned hereunder or to take possession of the Property, or to exercise any of the rights or powers herein granted to Assignee shall, to the extent not prohibited by law, also extend to the period from and after the filing of any suit to foreclose the lien created under any of the Loan Documents which cover the Property, including any period allowed by law for the redemption of the Property after any foreclosure sale.

12. Assignor agrees to indemnify, defend and hold Assignee harmless of, from and against any and all liability, loss, damage or expense, which Assignee may or might incur under or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on the part of Assignee to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Assignee incur any such liability, loss or damage under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the same rate of interest as provided in the Note with respect to the principal indebtedness of Assignor to Assignee, shall be secured by this Assignment and by the Loan Documents, and Assignor shall reimburse Assignee therefor immediately upon demand, and upon failure of Assignor so to do, Assignee may declare all sums secured hereby immediately due and payable.

13. In addition to the above, upon the occurrence of an Event of Default, Assignor expressly consents to the appointment of a receiver for the Property, without notice, either by the Assignee or a court of competent jurisdiction, to take all acts in connection with the Property permitted by law or in equity and to deduct from any and all Income and rents received from the Leases an amount approved by the court to compensate such receiver for its actions.

14. All notices to the parties hereunder shall be given in accordance with the Deed of Trust. Notices to tenants may occur by any commercially reasonable means.

15. This Assignment shall be assignable by Assignee and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and

inure to the benefit of, Assignor and Assignee and their respective successors and assigns.

16. This Assignment may be executed, acknowledged and delivered in any number of counterparts and each such counterpart shall constitute an original, but together such counterparts shall constitute only one instrument.

17. If any one or more of the provisions of this Assignment, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Assignment and all other applications of any such provision shall not be affected thereby.

18. Upon a sale, conveyance, transfer or exchange of all or a part of the Property, the term "Assignor" as used herein shall include the transferee or grantee in such transaction. The preceding sentence shall not be deemed to permit any sale, conveyance, transfer or exchange which is prohibited or restricted by the terms of any Loan Document.

19. This Assignment shall be governed by the laws of the State of Nevada and applicable federal law.

20. If there is any conflict between the terms of this Assignment and the provisions pertaining to assignment of rents and leases in the Deed of Trust, Assignee shall have the right to select the applicable provision.

21. THE ASSIGNOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THE ASSIGNOR MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE NOTE, THE DEED OF TRUST, THIS ASSIGNMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

22. The Assignee shall have the right to assign, in whole or in part, the Note, the Deed of Trust, this Assignment and any other Loan Document and all of its rights hereunder and thereunder, and all of the provisions herein and therein shall continue to apply to the Loan. The Assignee shall have the right to participate the Loan with other parties.

This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original.

55706

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first above written.

ASSIGNOR:

PLUM RIDGE CARE COMMUNITY, LLC
an Oregon limited liability company

By: _____

Name: _____

Title: _____

STATE OF OREGON)

County of Marion)

ss.

This instrument was acknowledged before me on the 15th day of July 2005
by Jon M. Harder, as Manager of Plum Ridge Care Community, LLC



Kristine Bernard
Notary Public for Oregon

My Commission Expires: 3-25-06

EXHIBIT A
Property Description

55707

Real property in the City of Klamath Falls, County of Klamath, State of Oregon,
described as follows:

A tract of land situated in the SW 1/4 of the NE 1/4 of Section 20, Township 38 South,
Range 9 East, Willamette Meridian, Klamath County, Oregon, being a portion of Blocks
7 and 8 and vacated Hilltop Street, McLoughlin Heights Subdivision, more particularly
described as follows:

Commencing at the Northeast corner of McLoughlin Heights; thence South 00°46'00"
West, along the East boundary of McLoughlin Heights, 100.0 feet to the true point of
beginning of this description; thence South 0°46'00" West, along the East boundary of
McLoughlin Heights 572.30 feet to the North boundary of Foothills Boulevard; thence
40.57 feet along the arc of a 20.00 foot radius curve to the right (the long chord of which
bears South 58°53' West, 33.97 feet); thence North 63°00'00" West, along the North
boundary of Foothills Boulevard, 104.35 feet; thence 482.81 feet along the arc of a
774.83 foot radius curve to the left (the long chord of which bears North 80°51'03" West,
475.03 feet); thence leaving said road boundary North 20°39'40" East, 504.11 feet;
thence South 89°21'00" East, 420.87 feet to the true point of beginning.

TOGETHER with the northerly one-half of vacated Foothill boulevard abutting the
Southerly boundary of the above described parcel.

SAVING AND EXCEPTING the following described parcel:

Beginning at a point on the East boundary of McLoughlin Heights which bears South
0°46' West a distance of 100.0 feet from the Northeast corner thereof, said point being
the Northeast corner of tract conveyed by Presbyterian Intercommunity Hospital, Inc. to
Klamath County by Deed recorded in Volume M75 page 8321, Deed records of Klamath
County, Oregon; thence North 89°21' West, along the North line of said tract a distance
of 420.87 feet to the Northwest corner thereof; thence South 20°39'40" West along the
Westerly line of said tract a distance of 173.0 feet to a point; thence South 86°54'35"
East a distance of 480.13 feet to a point on the East line of said tract; thence North 0°46'
East along said East line a distance of 183.0 feet to the point of beginning.

TOGETHER with Access as disclosed in Reciprocal Access Easement, recorded June
8, 2001 in M- 01 on page 27242, records of Klamath County, Oregon.

APN: 752064