

RECORDING REQUESTED BY
and Return by Mail to:

N.R.L.L. EAST, LLC
1 Mauchly
Irvine, CA 92618
Attn: Cindy Allen

**MASTER PLEDGE AND COLLATERAL ASSIGNMENT OF NOTES
RECEIVABLE, CONSUMER MORTGAGES AND CONTRACTS FOR DEED**

This MASTER PLEDGE AND COLLATERAL ASSIGNMENT OF NOTES RECEIVABLE, CONSUMER MORTGAGES AND CONTRACTS FOR DEED (the "Master Assignment") is made this 14th day of December, 2004, by **N.R.L.L., INC.**, a California corporation ("NRLL"), and **N.R.L.L. EAST, LLC**, a Florida limited liability company ("NRLL East" and together with NRLL, collectively, "Assignor"), the address of which is One Mauchly, Irvine, California 92618, to and in favor of **CAPITALSOURCE FINANCE LLC**, a Delaware limited liability company, the address of which is 4445 Willard Avenue, 12th Floor, Chevy Chase, Maryland 20815 ("Assignee").

WITNESSETH:

WHEREAS, Assignor and Assignee are parties to that certain Receivables Loan and Security Agreement dated December 14, 2004 (the "Loan Agreement"); and

WHEREAS, pursuant to the Loan Agreement, Assignor has agreed to pledge and assign unto Assignee all of Assignor's right, title, and interest in and to certain Consumer Mortgages and/or Contracts for Deeds which are more particularly described on **Schedule A** and Schedule B attached hereto together with all of the related Pledged Notes Receivable and the liens and security interest created thereby.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Assignor, Assignor, intending to be legally bound, hereby covenants and agrees with Assignee as follows:

1. Unless otherwise expressly provided herein to the contrary or unless the context otherwise requires, all capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement.

2. As collateral security for all debts, liabilities, or obligations of Assignor now existing or hereafter arising under the Loan Agreement and all other Loan Documents, including, without limitation, the Obligations, Assignor has assigned, pledged, and granted and, for value received, does hereby assign, pledge, and grant to and in favor of Assignee a Lien and continuing security interest in and to all of Assignor's right, title, and interest in and to (a) the Consumer Mortgages and related Pledged Notes Receivable, and (b) the Contracts for Deed and related

related Pledged Notes Receivables, together with all other Collateral appurtenant thereto, connected therewith, or substituted or replaced therefor, and all cash and non-cash proceeds thereof and profits derived therefrom (hereinafter sometimes collectively referred as the "Assigned Collateral").

3. This Master Assignment is executed and delivered by Assignor in favor of Assignee pursuant to the Loan Agreement. Upon and after an Event of Default thereunder, Assignee shall have all the rights and remedies provided for hereunder, pursuant to the Loan Agreement, and by applicable law.

4. Assignor hereby represents and warrants to Assignee, and covenants and agrees with Assignee, that:

(a) Assignor holds and, for so long as the Obligations or any portion thereof remain unsatisfied, shall retain, good and marketable title to all Assigned Collateral, free and clear of any Lien, security interest, charge, or encumbrance except for the Permitted Liens and Encumbrances and those Liens created by this Master Assignment or any other Loan Document or otherwise in favor of Assignee.

(b) To the best of Assignor's knowledge, by virtue of this Master Assignment, the recordation hereof and of a corresponding UCC-1 financing statement in the Secretary of State of California and the Secretary of State of Florida, as applicable, and delivery to Assignee of the Consumer Mortgages or Contracts for Deed, as applicable, and related Pledged Notes Receivable, such that the Pledged Notes Receivable, Consumer Mortgages and Contracts for Deed are in physical possession of Assignee, or a custodian holding such documents on behalf of Assignee, Assignee will own and hold a valid and perfected first priority Lien and security interest in and to the Consumer Mortgages, Contracts for Deed and related Pledged Notes Receivable, together with all other Assigned Collateral.

(c) The rights hereby conveyed to Assignee by Assignor are not and shall not be subject or subordinate to the rights of any other Person; provided, however, that pursuant to the Loan Documents, Assignee may, in its sole discretion, sell or otherwise transfer or assign to any Person Assignee's right, title, or interest in and to all or any portion of the Assigned Collateral.

(d) Assignor has full right, power, and authority to assign, pledge, and grant to Assignee a Lien and first priority security interest in and to the subject Consumer Mortgages and/or Contracts for Deed, related Pledged Notes Receivable and other Assigned Collateral, and the grant, pledge, and assignment thereof does not and will not to the best of Assignor's knowledge violate or result in a breach or default (with the giving of notice, the passage of time, or otherwise) under the subject Consumer Mortgages or Contracts for Deed, related Pledged Notes Receivable, the Consumer Loan Documents, or any Applicable Laws.

(e) Each of the Consumer Mortgages, Contracts for Deed and related Pledged Notes Receivable arises from the *bona fide* auction sale of a Land Lot, consummated in accordance with the Consumer Loan Documents and all Applicable Laws.

(f) To the best of Assignor's knowledge after good faith diligent inquiry: (i) none of the subject Pledged Notes Receivable or related Consumer Mortgages or Contracts for Deed, as applicable, are forged or have affixed thereto any unauthorized signatures or have been entered into by any Person who does not possess the requisite legal capacity; (ii) the subject Consumer Mortgages or Contracts for Deed and related Pledged Notes Receivable are in full force and effect and constitute valid and legally enforceable obligations of the applicable Purchasers or other obligors; (iii) none of the applicable Purchasers or other obligors have any defense, offset, claim, or counterclaim relating to the subject Consumer Mortgages, Contract for Deed, related Pledged Notes Receivable, or any related documents or instruments; and (iv) there is no default or event which, with the passage of time or the giving of notice, would give rise to a default thereunder by any applicable Purchaser or other obligor as of the date hereof.

(g) Assignor has not assigned, pledged, or granted and, for so long as the Obligations or any portion thereof remain unsatisfied, will not assign, pledge, or grant any of its right, title, or interest in or to the subject Consumer Mortgages or Contracts for Deed, and related Pledged Notes Receivable, or any other Assigned Collateral except in favor of Assignee, and Assignor agrees that any purported assignment, pledge, or grant of any of such Assigned Collateral shall be null and void.

(h) Except as permitted in the Loan Agreement, Assignor has not and, for so long as the Obligations or any portion thereof remain unsatisfied, will not, cause or permit any amendment, modification, extension, or termination (other than by payment in full) of the subject Consumer Mortgages, Contracts for Deed or related Pledged Notes Receivable without the prior written consent of Assignee, nor will Assignor waive, excuse, condone, forgive, or in any manner release or discharge any material obligations, covenants, warranties, conditions, or agreements to be performed by the applicable Purchasers or other obligors under the such Consumer Mortgages, Contracts for Deed, related Pledged Notes Receivable, or any related documents or instruments without the prior written consent of Assignee, and Assignor agrees that any such purported act without such consent shall be null and void.

(i) This Master Assignment has been duly authorized, executed, and delivered by Assignor and constitutes the legal, valid, and binding obligation of Assignor, enforceable against Assignor in accordance with its terms.

5. This Master Assignment is executed and delivered only for the purpose of providing collateral security for the Obligations and shall not constitute or be interpreted as an absolute assignment of Assignor's rights or obligations under the subject Consumer Mortgages, Contracts for Deed or related Pledged Notes Receivable. Neither the execution, delivery, nor recordation of this Master Assignment shall render Assignee liable in any manner whatsoever for any obligations, duties, or liabilities of Assignor pursuant to the subject Consumer Mortgages, Contracts for Deed, related Pledged Notes Receivable, any related documents or instruments, or Consumer Loan Documents. Assignor hereby expressly acknowledges that Assignee has not assumed any of the obligations, duties, or liabilities of Assignor under or with respect to any of the Assigned Collateral. Assignee shall not be required to make any inquiry as to the nature or sufficiency of any payment received by it, to present or file any claim, or to take any other action to collect or enforce the payment of any amounts that may have been assigned to it or the performance of any obligations to which it may be entitled hereunder.

6. Assignor covenants and agrees that it will give Assignee prompt written notice of any notice that Assignor receives under or in respect of any Pledged Note Receivable or related Consumer Mortgage or Contract for Deed, including but not limited to any notices of default.

7. Assignor hereby irrevocably authorizes Assignee, at Assignor's sole cost and expense, to file without Assignor's signatures such financing and continuation statements relating to this Master Assignment, and to deliver such notifications or certifications, as Assignee, in its sole discretion, deems reasonably necessary or appropriate in order to protect its right, title, and interest in and to the Assigned Collateral; and Assignor hereby appoints Assignee as Assignor's true and lawful attorney-in-fact to execute any such statements in Assignor's name and to perform all other acts that Assignee, in its sole discretion, deems reasonably necessary or appropriate in order to perfect and continue, and realize upon, the Liens and security interests conferred pursuant to this Master Assignment and the other Loan Documents.

8. Assignor agrees that at any time and from time to time, upon the reasonable request of Assignee or any successor or assign thereof, it will execute and deliver such further documents and instruments and perform such further acts as Assignee (or its successor or assign) may reasonably request in order to effectuate the purposes and intent of this Master Assignment.

9. Upon an Event of Default under the Loan Documents, or if a default shall occur with respect to any of the Assigned Collateral, then, in addition to (and not in limitation of) all other rights and remedies available to Assignee, Assignee may, without obligation to do so, and without releasing Assignor from any of its liabilities and obligations hereunder or pursuant to any of the other Loan Documents or the Consumer Loan Documents, take such action as Assignee deems reasonably necessary or appropriate to protect its interests, rights, and powers hereunder and under the other Loan Documents, including, without limitation, amending or terminating any of the subject Consumer Mortgages, Contracts for Deed and/or related Pledged Notes Receivable and/or granting waivers thereunder, all without notice to or the consent or approval of Assignor. Assignee may further appear in and defend any action, suit, or proceeding purporting to affect its interests, rights, and powers under any of the Loan Documents and perform and discharge each and every obligation, covenant, and agreement of Assignor contained herein or in the subject Consumer Mortgages, Contracts for Deed and/or related Pledged Notes Receivable; and in exercising such powers, Assignee may, at Assignor's sole cost and expense, pay any or all reasonably necessary costs and expenses, employ counsel, and incur and pay reasonable attorneys' fees and expenses. Assignor hereby indemnifies and holds Assignee harmless with respect to, and agrees to reimburse Assignee for, such costs, expenses, and fees, and Assignor's obligations with respect thereto shall be included among the Obligations, shall bear interest at the Applicable Default Rate, and shall be secured by the Collateral.

10. Upon the full discharge and satisfaction of all of the Obligations or as otherwise provided in the Loan Agreement, all rights herein assigned to Assignee shall cease and terminate and Assignee shall, at Assignor's sole cost and expense, execute and deliver to Assignor such documents, instruments, and termination statements as Assignor may reasonably request in order to evidence the termination of Assignee's rights hereunder.

11. This Master Assignment shall be binding on Assignor and its successors and assigns and inure to the benefit of Assignee and its successors, assigns, and participants, if any. Assignee shall have the right to sell or otherwise transfer or assign to any Person, from time to time, all or any portion of the Assigned Collateral and Assignee's rights and interests hereunder and thereunder; provided, however, that Assignee shall provide Assignor with prompt written notice of any such transfer or assignment. The terms and provisions of this Master Assignment may not be terminated or modified or amended orally or by course of conduct or dealing or in any manner except in a writing that is signed by the party against whom enforcement is sought.

12. THIS MASTER ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, EXCLUSIVE OF ANY CHOICE OF LAW PROVISIONS THAT WOULD RESULT IN A CHOICE OF LAW OTHER THAN THE LAWS OF SUCH STATE. ASSIGNOR HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE COURT LOCATED WITHIN THE STATE OF CALIFORNIA OR THE FEDERAL COURT LOCATED IN SOUTHERN CALIFORNIA, AND IRREVOCABLY AGREES THAT, SUBJECT TO ASSIGNEE'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS MASTER ASSIGNMENT OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. ASSIGNOR EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. ASSIGNOR HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE ON ASSIGNOR BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO ASSIGNOR AT THE ADDRESS SET FORTH IN THE LOAN AGREEMENT, AND SERVICE SO MADE SHALL BE DEEMED COMPLETE UPON RECEIPT OR UPON DENIAL OF ACCEPTANCE.

Assignor's Initials: MS

13. Assignor hereby acknowledges that this Master Assignment may be recorded in the counties where each Land Lot related to the Pledged Notes Receivables is located, and agrees to pay any and all recording costs and taxes relating to the recording thereof that may be payable with respect to this Master Assignment, its recordation, any amendments to this Master Assignment and their recordation, or the other Assigned Collateral, excluding income and profit-based taxes.

14. If any provision of this Master Assignment is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable, this Master Assignment shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, and the remaining provisions of this Master Assignment shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. In any suit, action, or proceeding arising out of or in connection with this Master Assignment, the prevailing party in such suit, action or proceeding shall be entitled to reasonable attorneys' and paralegals' fees and expenses, whether such fees and expenses arise before such proceedings are commenced or after the entry of a final judgment and whether suit be brought or not. Any right or remedy granted herein or in any other Loan Document is separate, distinct, and cumulative

and not exclusive of any other right or remedy granted herein, therein, or provided by law or in equity; and all of the same may be exercised concurrently, independently, or successively by Assignee, in its sole discretion. Any forbearance on the part of Assignee in exercising any right or remedy hereunder shall not constitute a waiver of or preclude the exercise of such right or remedy in the future. Assignee shall not be deemed by any act or omission to have waived any right or remedy or any default or Event of Default unless such waiver is in writing and signed by Assignee, and then only to the extent specifically set forth in such writing.

15. Assignee may take or release other security for the payment and performance of the Obligations, may release any party primarily or secondarily liable therefor, including, but not limited to, any Guarantor, and may apply any other security held by it to the satisfaction of such Obligations, without prejudice to any of its rights under this Master Assignment. Nothing contained in this Master Assignment and no act done or omitted by Assignee pursuant to the powers and rights granted to it hereunder shall be deemed to constitute a waiver by Assignee of its rights and remedies pursuant to this Master Assignment or the other Loan Documents, and this Master Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Assignee pursuant to the terms, provisions, and conditions hereof and of the other Loan Documents.

16. To the fullest extent permitted by law, in the event that Assignor shall make application for or seek relief or protection under the federal bankruptcy code (the "Bankruptcy Code") or any other Debtor Relief Laws, or in the event that any involuntary petition is filed against Assignor under such Bankruptcy Code or other Debtor Relief Laws and not dismissed with prejudice within forty-five (45) days of its filing, then the automatic stay provisions of Section 362 of the Bankruptcy Code are hereby modified as to Assignee to the extent necessary to implement the provisions hereof permitting set-off and the filing of financing statements or other instruments or documents; and Assignee shall automatically and without demand or notice (each of which is hereby waived by Assignor) be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code or otherwise, on or against the exercise of the rights and remedies otherwise available to Assignee as provided in the Loan Documents. In addition, in the event that relief is sought by or against Assignor under the Bankruptcy Code, such Assignor agrees not to seek, directly or indirectly, in any ensuing bankruptcy proceeding, any extension of the exclusivity period otherwise available to a debtor under the Bankruptcy Code, including without limitation, the exclusivity period provided for under Section 1121(b) of the Bankruptcy Code.

17. In the event the obligation under a Pledged Note Receivable and the related Consumer Mortgage or Contract for Deed has been satisfied in full by its maker or makers or upon the occurrence of such other event pursuant to which Assignee in its reasonable discretion agrees with Assignor that a Pledged Note Receivable (including any Contract for Deed) shall be returned to Assignor and, if applicable, Assignee's lien with respect to the related Consumer Mortgage or Mortgage shall be released, Assignee, upon receipt of a written request from Assignor, shall promptly reassign any Consumer Mortgage or Mortgage and endorse the related Pledged Note Receivable to Assignor, without recourse, in accordance with the terms of the Loan Agreement and Assignee shall cause all original collateral files to be returned to Assignor.

18. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, ASSIGNOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND OR CLARIFY ANY RIGHT, POWER, REMEDY, OR DEFENSE ARISING OUT OF OR RELATED TO THIS MASTER ASSIGNMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF ANY PARTY; AND ASSIGNOR AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. ASSIGNOR FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, ASSIGNOR HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF ASSIGNEE, INCLUDING ASSIGNEE'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT ASSIGNEE WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. ASSIGNOR ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO ASSIGNEE'S AGREEMENT TO MAKE THE LOAN TO ASSIGNOR.

Assignor's Initials: MS

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IN WITNESS WHEREOF, Assignor has caused this Master Assignment to be duly executed as of the date first written above.

ASSIGNOR:

N.R.L.L., INC.,
a California corporation

By: _____
Name: **Michael L. Schack**
Title: **Authorized Agent**

N.R.L.L. EAST, LLC,
a Florida limited liability company

By: _____
Name: **Michael L. Schack**
Title: **Authorized Agent**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Orange

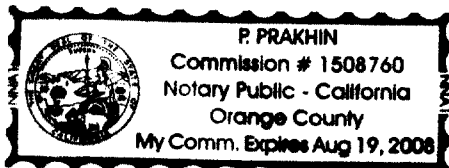
2/17

On ~~4/13~~ 2/17/2006, before me, P. Prakhin, Notary Public,
personally appeared **Michael L. Schack**
Name(s) of Signer(s)

☒ personally known to me - OR ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the persons(s) acted, executed the instrument.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY



**-OPTIONAL SECTION-
CAPACITY CLAIMED BY
SIGNER**

Though statute does not require the Notary to fill in the date below, doing so may prove invaluable to persons relying on the document.

☐ INDIVIDUAL
☐ CORPORATE OFFICER(s)

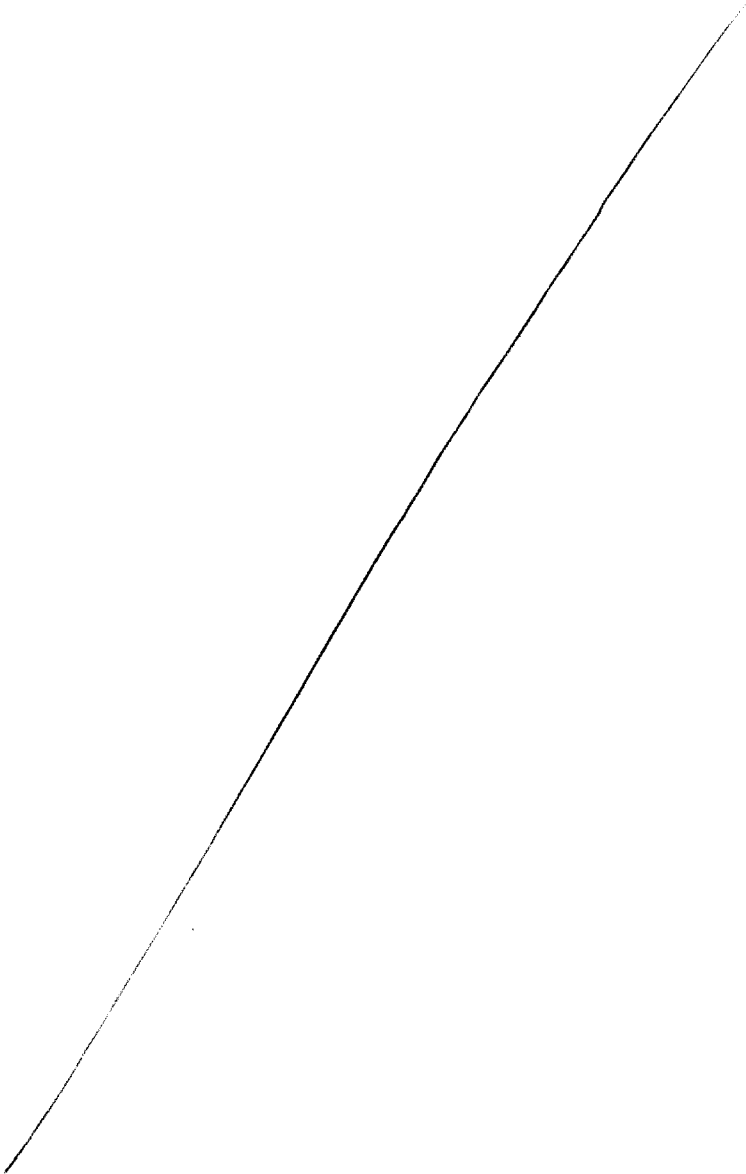
TITLE(s)
☐ PARTNERSHIP(S)
☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER:

**SIGNER IS
REPRESENTING**
NAME OF PERSON(S) OR ENTITY(IES)

SCHEDULE "B"

Contracts for Deed

Purchaser	Land Lot	Date of Contract for Deed	Original Principal Amount
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SCHEDULE A

Contract ID	Name1	Name2	County	State	APN	LegalDesc1	Legal Desc2	Mortgage Recorded	Instrument# Book/Page	LoanAmt
91-072	Alexander Juan	Fely A. Juan	Klamath	OR	00R289486	THE NW 1/4 OF THE NE 1/4 OF SECTION 20, TOWNSHIP 35 SOUTH, RANGE 12, EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.		2/13/2006	M06-02710 ✓	\$15,045.00