



200009110100

, Skagit County Auditor

9/11/2000 Page 1 of 13 4:11:15PM

RECORD AND RETURN TO:

AFTER RECORDING RETURN TO:
FIDELITY NATIONAL TITLE
INSURANCE COMPANY
200 Galleria Pkwy, Suite 1695
Atlanta, GA 30339

ASSIGNMENT OF LEASES AND RENTS

FIDELITY NATIONAL TITLE CO.

SB-16247✓

Grantor: MT. VERNON MEDICAL INVESTORS, LLC ("Owner")
MT. VERNON MEDICAL INVESTORS LIMITED PARTNERSHIP ("Operator")

Grantee: FIDELITY NATIONAL TITLE COMPANY OF WASHINGTON for COLUMN
FINANCIAL, INC. (Lender)

Short Legal Description: ____ [See Complete Legal Description on Exhibit A attached hereto]

Lot 3 CITY OF MT VERNON SP NO. MV-7-95; being ptn NE SE, Sec20, T34N, R4EWM

Assessor's Property Tax Parcel/Account Number(s): P26940

340420-4-004-0000

Dated: As of August 31, 2000

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

SEP 11 2000

Amount Paid \$0
Skagit County Treasurer
By: *DC* Deputy

Loan No.: WLD640071

Facility: Life Care Center of Mt. Vernon

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") made as of the 31st day of August, 2000, is by **MT. VERNON MEDICAL INVESTORS, LLC**, a Tennessee limited liability company ("Owner") and **MT. VERNON MEDICAL INVESTORS LIMITED PARTNERSHIP**, a Tennessee limited partnership ("Operator", and collectively with Owner, ("Assignor")), each having an address at 3570 Keith Street, NW, Cleveland, Tennessee 37320-3480, to and in favor of **COLUMN FINANCIAL, INC.**, a Delaware corporation ("Assignee"), whose address is 3414 Peachtree Road, N.E., Suite 1140, Atlanta, Georgia 30326-1113.

WITNESSETH:

THAT, WHEREAS, Assignor and certain affiliates of Assignor have executed a certain Promissory Note dated of even date herewith (the "Note"), payable to the order of Assignee in the stated principal amount of FOUR HUNDRED SIXTY NINE MILLION TWO HUNDRED FIFTEEN THOUSAND AND NO/100 Dollars (\$469,215,000.00) (the "Loan") pursuant to a Loan Agreement dated of even date (the "Loan Agreement") herewith between Assignor and certain other entities, as borrower ("Borrower"), and Assignee, as Lender; and

WHEREAS, pursuant to the Loan Agreement, Assignor and certain affiliates of Assignor executed and delivered a certain Guaranty of Payment dated of even date herewith (the "Guaranty") with respect to a certain promissory note dated the date hereof made by Evergreen Medical Investors, Ltd. and Life Care Centers of America Inc. and payable to the order of Lender in the original principal amount of \$4,900,000.00 and a certain promissory note dated the date hereof made by Plano Medical Investors Limited Partnership and Plano Medical Investors, LLC and payable to the order of Lender in the original principal amount of \$5,885,000.00;

WHEREAS, the Note and the Guaranty, in the aggregate principal amount of \$480,000,000.00, are secured by, among other things, that certain Deed of Trust and Security Agreement dated of even date herewith (the "Security Instrument"), by Assignor, to Assignee, as mortgagee, encumbering that certain real property situated in the County of Skagit, State of Washington, as is more particularly described on Exhibit A attached hereto and incorporated herein by this reference, and together with all buildings and other improvements now or hereafter located thereon, including, without limitation, the health care related facility described on Schedule 1 (the "Facility") located thereon (collectively, the "Improvements") (the Real Property and the Improvements are hereinafter sometimes collectively referred to as the "Property"); and



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WHEREAS, Assignor is desirous of further securing to Assignee the performance of the terms, covenants and agreements hereof and of the Note, the Guaranty, the Loan Agreement, the Mortgage and each other document and agreement evidencing, securing, guaranteeing or otherwise relating to the indebtedness evidenced by the Note (the Note, the Guaranty, the Loan Agreement, the Mortgage and such other documents and agreements, as each of the foregoing may from time to time be amended, consolidated, renewed or replaced, being collectively referred to herein as the "Loan Documents").

NOW, THEREFORE, in consideration of the making of the loan evidenced by the Note by Assignee to Assignor and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby irrevocably, absolutely and unconditionally transfer, sell, assign, pledge and convey to Assignee, its successors and assigns (subject to applicable law and regulation), all of the right, title and interest of Assignor in and to:

(a) any and all leases, licenses, rental agreements and occupancy agreements of whatever form and other agreements (including, without limitation, management, service, consulting or administrative agreements) now or hereafter affecting all or any part of the Property and any and all guarantees, extensions, renewals, replacements and modifications thereof (collectively, the "Leases"); and

(b) all accounts (including, without limitation, any rights of Assignor in accounts arising from the operations conducted at or by the Facility) deposits (whether for security or otherwise), rents, issues, profits, revenues, royalties, rights, benefits, and income of every nature of and from the Property and the operations conducted or to be conducted thereon, including, without limitation, minimum rents, additional rents, termination payments, forfeited security deposits, any rights to payment earned under Leases for the operation of ongoing retail businesses such as newsstands, concession stands, barbershops, beauty shops, gift shops, cafeterias, dining rooms, restaurants, lounges, vending machines, physicians' offices, pharmacies, laboratories, gymnasiums, swimming pools, tennis courts, golf courses, recreational centers, and specialty shops, liquidated damages following default and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability due to destruction or damage to the Property, together with the immediate and continuing right to collect and receive the same, whether now due or hereafter becoming due, and together with all rights and claims of any kind that Assignor may have against any tenant, lessee or licensee under the Leases or against any other occupant of the Property (collectively, the "Rents").

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns.

IT IS AGREED that, notwithstanding that this instrument is a present, absolute and executed assignment of the Rents and of the Leases and a present, absolute and executed grant of the powers herein granted to Assignee, Assignor is hereby permitted, at the sufferance of Assignee and at its discretion, and is hereby granted a license by Assignee, to retain possession of the Leases and to collect and retain the Rents unless and until there shall be an Event of Default. In the event of such Event of Default, the aforementioned license granted to Assignor shall automatically terminate without notice to Assignor, and Assignee may thereafter, without taking possession of the Property, demand, collect (by suit or otherwise), receive and give valid and sufficient receipts for any and all of the Rents (other than Medicare/Medicaid Receivables



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(as defined in the Loan Agreement)) or take possession of the Leases, for which purpose Assignor does hereby irrevocably make, constitute and appoint Assignee its attorney-in-fact with full power to appoint substitutes or a trustee to accomplish such purpose (which power of attorney shall be irrevocable so long as any portion of the Loan is outstanding shall be deemed to be coupled with an interest, shall survive the voluntary or involuntary dissolution of Assignor and shall not be affected by any disability or incapacity suffered by Assignor subsequent to the date hereof). Further, from and after such termination, Assignor shall be the agent of Assignee in collection of the Rents, and any Rents so collected by Assignor shall be held in trust by Assignor for the sole and exclusive benefit of Assignee and Assignor shall, within one (1) business day after receipt of any Rents, pay the same to Assignee to be applied by Assignee as hereinafter set forth. Furthermore, during the continuance of an Event of Default and following termination of the aforementioned license, Assignee shall have the right and authority, without any notice whatsoever to Assignor and without regard to the adequacy of the security therefor, to: (a) manage and operate the Property, with full power to employ agents to manage the same; (b) demand, collect, receive and sue for the Rents, including those past due and unpaid; and (c) do all acts relating to such management of the Property, including, but not limited to, negotiation of new Leases, making adjustments of existing Leases, contracting and paying for repairs and replacements to the Improvements and to the fixtures, equipment and personal property located in the Improvements or used in any way in the operation, use and occupancy of the Property as in the sole subjective judgment and discretion of Assignee may be necessary to maintain the same in a tenantable condition, purchasing and paying for such additional furniture and equipment as in the sole subjective judgment of Assignee may be necessary to maintain a proper rental income from the Property, employing necessary managers and other employees, purchasing fuel, providing utilities and paying for all other expenses incurred in the operation of the Property, maintaining adequate insurance coverage over hazards customarily insured against and paying the premiums therefor. Assignee may apply the Rents received by Assignee from the Property, after deducting the costs of collection thereof, including, without limitation, reasonable attorneys' fees and disbursements and a management, administrative or consultant fee or expense for any management or administrative agent or consultant so employed, against amounts expended for repairs, upkeep, maintenance, service, fuel, utilities, taxes, assessments, insurance premiums and such other expenses as Assignee incurs in connection with the operation of the Property against interest, principal, required escrow deposits and other sums which have or which may become due, from time to time, under the terms of the Loan Documents, in such order or priority as to any of the items so mentioned as Assignee, in its sole subjective discretion, may determine. The exercise by Assignee of the rights granted Assignee in this paragraph, and the collection of the Rents and the application thereof as herein provided, shall not be considered a waiver by Assignee of any default under the Loan Documents or prevent foreclosure of any liens on the Property nor shall such exercise make Assignee liable under any of the Leases, Assignee hereby expressly reserving all of its rights and privileges under the Loan Agreement, the Security Instrument and the other Loan Documents as fully as though this Assignment had not been entered into.

Without limiting the rights granted hereinabove, in the event Assignor shall fail to make any payment or to perform any act required under the terms hereof and such failure shall not be cured within any applicable grace or cure period, then Assignee may, but shall not be obligated to, without prior notice to or demand on Assignor, and without releasing Assignor from any obligation hereof, make or perform the same in such manner and to such extent as Assignee



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may deem necessary to protect the security hereof, including specifically, without limitation, appearing in and defending any action or proceeding purporting to affect the security hereof or the rights or powers of Assignee, performing or discharging any obligation, covenant or agreement of Assignor under any of the Leases, and, in exercising any of such powers, paying all necessary costs and expenses, employing counsel and incurring and paying reasonable attorneys' fees. Any sum advanced or paid by Assignee for any such purpose, including, without limitation, reasonable attorneys' fees, together with interest thereon at the Default Interest Rate (as defined in the Note) from the date paid or advanced by Assignee until repaid by Assignor, shall immediately be due and payable to Assignee by Assignor on demand and shall be secured by the Security Instrument and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

IT IS FURTHER AGREED that this Assignment is made upon the following terms, covenants and conditions:

1. This Assignment shall not operate to place responsibility for the control, operation, care, management or repair of the Property upon Assignee unless Assignee takes title to and possession of the Property pursuant to its rights under the Loan Documents, nor for the performance of any of the terms and conditions of any of the Leases, nor shall it operate to make Assignee responsible or liable for any waste committed on the Property by tenants, residents, or any other party or for any dangerous or defective condition of the Property or for any negligence in the management, upkeep, repair or control of the Property unless Assignee takes title to and possession of the Property pursuant to its rights under the Loan Documents. Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure or inability to collect Rents, proceeds or other payments, or to let the Property, or from any other act or omission of Assignee in managing the Property. Assignor shall and does hereby indemnify and hold Assignee harmless from and against any and all liability, loss, claim, demand or damage which may or might be incurred by reason of this Assignment which is not the result of Assignee's gross negligence or willful misconduct, including, without limitation, claims or demands for security deposits from residents or tenants of space in the Improvements deposited with Assignor, and from and against any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Leases or with respect to the operations conducted or to be conducted on the Property so long as such claim or demand is not finally determined by a court of competent jurisdiction to have been caused by Assignee's gross negligence or willful misconduct. Should Assignee incur any liability by reason of this Assignment or in defense of any claim or demand for loss or damage as provided above which is not the result of Assignee's gross negligence or willful misconduct, the amount thereof, including, without limitation, costs, expenses and attorneys' fees and disbursements, together with interest thereof at the Default Interest Rate from the date paid or incurred by Assignee until repaid by Assignor, shall be immediately due and payable to Assignee by Assignor upon demand and shall be secured by the Security Instrument and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note. Notwithstanding anything to the contrary contained in this Assignment, Assignor shall have no obligation to defend, indemnify or hold Assignee harmless from any claim made by any party as a result of Assignee's gross negligence or willful misconduct.



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2. This Assignment shall not be construed as making Assignee a mortgagee in possession.

3. Assignee is obligated to account to Assignor only for such Rents as are actually collected or received by Assignee.

4. Assignor hereby further presently and absolutely assigns to Assignee subject to the terms and provisions of this Assignment: (a) any award or other payment which Assignor may hereafter become entitled to receive with respect to any of the Leases as a result of or pursuant to any bankruptcy, insolvency or reorganization or similar proceedings involving the tenants under such Leases; and (b) any and all payments made by or on behalf of any tenant or resident of any part of the Property in lieu of Rent. Assignor hereby irrevocably appoints Assignee as its attorney-in-fact to, from and after the occurrence and during the continuance of an Event of Default, appear in any such proceeding and to collect any such award or payment, which power of attorney is coupled with an interest by virtue of this Assignment and is irrevocable so long as any sums are outstanding under the loan evidenced by the Note.

5. Assignor represents, warrants and covenants to and for the benefit of Assignee: (a) that Assignor now is (or with respect to any Leases not yet in existence, will be immediately upon the execution thereof) the absolute owner of the landlord's interest in the Leases, with full right and title to assign the same and the Rents due or to become due thereunder; (b) that, other than this Assignment and those assignments, if any, specifically permitted in the Loan Agreement, there are no outstanding pledges or assignments of the Leases or Rents; (c) that no Rents have been anticipated, discounted, released, waived, compromised or otherwise discharged except for prepayment of rent of not more than one (1) month prior to the accrual thereof or otherwise in the ordinary course of Assignor's business and consistent with past practices; (d) that there are no material defaults now existing under any of the Leases by the landlord/owner or, to Assignor's knowledge, by any tenant/resident or other party thereto, and there exists no state of facts known to Assignor which, with the giving of notice or lapse of time or both, would constitute a default under any of the Leases by the landlord/owner, tenant/resident or other party thereto, except as disclosed in writing to Assignee; (e) that Assignor has and shall duly and punctually observe and perform all material covenants, conditions and agreements in the Leases on the part of the landlord to be observed and performed thereunder and (f) the Leases are in full force and effect and are the valid and binding obligations of Assignor, and, to the knowledge of Assignor, are the valid and binding obligations of the tenants/residents or other parties thereto, subject to bankruptcy, insolvency and creditors rights generally, and other equitable remedies available at law or in equity.

6. Assignor covenants and agrees that Assignor shall not, without the prior written consent of Assignee, enter into, amend, modify, cancel, terminate or take any other action with respect to any Lease except as provided in Section 4.1.19 of the Loan Agreement.

7. Assignor covenants and agrees that Assignor shall, at its sole cost and expense, appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with the Leases or the obligations, duties or liabilities of the landlord/owner or tenant/resident or other party thereunder, and shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and disbursements, which Assignee may incur in



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connection with Assignee's appearance, voluntary or otherwise, in any such action or proceeding, together with interest thereon at the Default Interest Rate from the date incurred by Assignee until repaid by Assignor.

8. At any time, Assignee may, at its option, notify any tenants or other parties of the existence of this Assignment. Assignor does hereby specifically authorize, instruct and direct each and every present and future tenant, resident or other party to an agreement relating to the whole or any part of the Property to pay all unpaid and future Rents (other than Medicare/Medicaid Receivables) to Assignee upon receipt of demand from Assignee to so pay the same and Assignor hereby agrees that each such present and future tenant, resident or other party may rely upon such written demand from Assignee to so pay said Rents without any inquiry into whether there exists a default hereunder or under the other Loan Documents or whether Assignee is otherwise entitled to said Rents. Assignor hereby waives any right, claim or demand which Assignor may now or hereafter have against any present or future tenant, resident lessee or licensee by reason of such payment of Rents to Assignee or its designee, and any such payment shall discharge such tenant's, resident's or other party's obligation to make such payment to Assignor.

9. Assignee may take or release any security for the indebtedness evidenced by the Note, may release any party primarily or secondarily liable for the indebtedness evidenced by the Note, may grant extensions, renewals or indulgences with respect to the indebtedness evidenced by the Note and may apply any other security therefor held by it to the satisfaction of any indebtedness evidenced by the Note without prejudice to any of its rights hereunder.

10. The acceptance of this Assignment and the collection of the Rents in the event Assignor's license is terminated, as referred to above, shall be without prejudice to Assignee. The rights of Assignee hereunder are cumulative and concurrent, may be pursued separately, successively or together and may be exercised as often as occasion therefor shall arise, it being agreed by Assignor that the exercise of any one or more of the rights provided for herein shall not be construed as a waiver of any of the other rights or remedies of Assignee, at law or in equity or otherwise, so long as any obligation under the Loan Documents remains unsatisfied.

11. All rights of Assignee hereunder shall inure to the benefit of its successors and assigns, and all obligations of Assignor shall bind its successors and assigns. All rights of Assignee in, to and under this Assignment shall pass to and may be exercised by any assignee of such rights of Assignee. Assignor hereby agrees that if Assignee gives notice to Assignor of an assignment of said rights, upon such notice the liability of Assignor to the assignee of the Assignee shall be immediate and absolute. Assignor will not set up any claim against Assignee or any intervening assignee as a defense, counterclaim or set-off to any action brought by Assignee or any intervening assignee for any amounts due hereunder or for possession of or the exercise of rights with respect to the Leases or the Rents.

12. The occurrence of a default hereunder shall be a default under the Loan Agreement and an Event of Default under the Loan Agreement shall be an Event of Default hereunder.



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13. Failure by Assignee to exercise any right which it may have hereunder shall not be deemed a waiver thereof unless so agreed in writing by Assignee, and the waiver by Assignee of any default hereunder shall not constitute a continuing waiver or a waiver of any other default or of the same default on any future occasion. No collection by Assignee of any Rents pursuant to this Assignment shall constitute or result in a waiver of any default then existing hereunder or under any of the other Loan Documents.

14. If any provision under this Assignment or the application thereof to any entity, person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Assignment and the application of the provisions hereof to other entities, persons or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law.

15. This Assignment may not be amended, modified or otherwise changed except by a written instrument duly executed by Assignor and Assignee.

16. This Assignment shall be in full force and effect continuously from the date hereof to and until the Security Instrument shall be released of record, and the release of the Security Instrument shall, for all purposes, automatically terminate this Assignment and render this Assignment null and void and of no effect whatsoever.

17. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be given and become effective as provided in the Loan Agreement.

18. THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, THE LOAN WAS MADE BY ASSIGNEE AND ACCEPTED BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE APPLICABLE INDIVIDUAL PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED



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BY LAW, ASSIGNOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

19. This Assignment may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Assignment may be detached from any counterpart of this Assignment without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Assignment identical in form hereto but having attached to it one or more additional signature pages.

20. In addition to, but not in lieu of, any other rights hereunder, Assignee shall have the right to institute suit and obtain a protective or mandatory injunction against Assignor to prevent a breach or default, or to enforce the observance, of the agreements, covenants, terms and conditions contained herein, as well as the right to damages occasioned by any breach or default by Assignor.

21. This Assignment shall continue and remain in full force and effect during any period of foreclosure with respect to the Property.

22. Assignor hereby covenants and agrees that Assignee shall be entitled to all of the rights, remedies and benefits available by statute, at law, in equity or as a matter of practice for the enforcement and perfection of the intents and purposes hereof. Assignee shall, as a matter of absolute right, be entitled, upon application to a court of applicable jurisdiction, to the appointment of a receiver to obtain and secure the rights of Assignee hereunder and the benefits intended to be provided to Assignee hereunder.

23. Notwithstanding anything to the contrary contained in this Assignment, the liability of Assignor and its general partners for the indebtedness secured hereby and for the performance of the other agreements, covenants and obligations contained herein and in the Loan Documents shall be limited as set forth in Section 9.1 of the Loan Agreement.



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IN WITNESS WHEREOF, Assignor, intending to be legally bound hereby, has executed this Assignment as of the day and year first above written.

ASSIGNOR:

MT. VERNON MEDICAL INVESTORS, LLC,
a Tennessee limited liability company

By: 

Name: Forrest L. Preston

Title: Chief Manager

MT. VERNON MEDICAL INVESTORS
LIMITED PARTNERSHIP,
a Tennessee limited partnership

By: Developers Investment Company, Inc.,
its general partner

By: 

Name: Forrest L. Preston

Title: President



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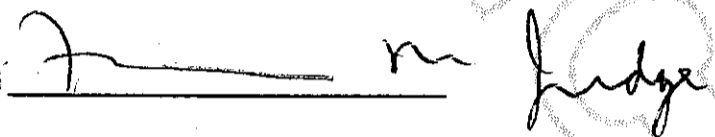
STATE OF NEW YORK

COUNTY OF NEW YORK

FRANCESANN M. JUDGE
Notary Public, State of New York
No. 01JU6041131
Qualified in New York County
Commission Expires May 01, 2002

On this 29 day of AUGUST, 2000, before me, the undersigned, a Notary Public in and for the State of New York, duly commissioned and sworn, personally appeared Forrest L. Preston, to me known to be the Chief Manager of MT. VERNON MEDICAL INVESTORS, LLC, the limited liability company that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

Witness my hand and seal the day and year first above written.



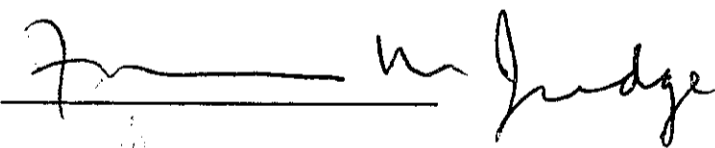
STATE OF NEW YORK

COUNTY OF NEW YORK

FRANCESANN M. JUDGE
Notary Public, State of New York
No. 01JU6041131
Qualified in New York County
Commission Expires May 01, 2002

BEFORE ME, the undersigned, a Notary Public in and for the said County and State, on this day personally appeared Forrest L. Preston, known to me to be the President of DEVELOPERS INVESTMENT COMPANY, INC., the corporation that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, said corporation being known to be the general partner of MT. VERNON MEDICAL INVESTORS LIMITED PARTNERSHIP, the limited partnership that executed the foregoing instrument and known to me to be the person(s) who executed the foregoing instrument on behalf of said limited partnership, and he/she/they acknowledged to me that said limited partnership executed the same for purposes and consideration therein expressed.

Given under my hand and seal this 29 day of AUGUST, 2000.





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SCHEDULE 1

FACILITY DESCRIPTION

Life Care Center of Mt. Vernon, a 99-bed nursing home facility located at 2120 East Division Street, Mt. Vernon, Washington.



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EXHIBIT A

LEGAL DESCRIPTION

LC-058

LOT 3 OF CITY OF MOUNT VERNON SHORT PLAT NO. MV-7-95, AS APPROVED JANUARY 24, 1996, AND RECORDED JANUARY 26, 1996, IN VOLUME 12 OF SHORT PLATS, PAGE 69, UNDER AUDITOR'S FILE NO. 9601260017, RECORDS OF SKAGIT COUNTY, WASHINGTON; BEING A PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 34 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

SITUATED IN SKAGIT COUNTY, WASHINGTON.



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