

Return Address:

S. Jack Fenigstein, Esq.
Fenigstein & Kaufman
1900 Avenue of the Stars, Suite 2300
Los Angeles, CA 90067-4314



200203130113

Skagit County Auditor

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3:53PM

Please print or type information **WASHINGTON STATE RECORDER'S Cover Sheet** (RCW 65.04)**Document Title(s)** (or transactions contained therein): (all areas applicable to your document must be filled in)

1. DEED OF TRUST WITH ASSIGNMENT OF RENTS 2. _____
 3. _____ 4. _____

Reference Number(s) of Documents assigned or released:

ISLAND TITLE CO. Q82198

Additional reference #'s on page _____ of document

ACCOMMODATION RECORDING**Grantor(s)** (Last name, first name, initials)

1. MT. VERNON MEDICAL INVESTORS, LLC _____
 2. _____

Additional names on page _____ of document.

Island Title Company has placed
 this document for recording as a
 customer courtesy and accepts no
 liability for its accuracy or validity.

Grantee(s) (Last name first, then first name and initials)

1. CAPITAL FUNDING GROUP, INC. _____
 2. _____

Additional names on page _____ of document.

Legal description (abbreviated: i.e. lot, block, plat or section, township, range)LOTS 2 AND 3 OF MOUNT VERNON SHORT PLAT NO. MV-7-95

Additional legal is on page _____ of document.

Assessor's Property Tax Parcel/Account Number
assigned☐ Assessor Tax # not yet340420-4-004-0000; 340420-4-004-0109

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to
 verify the accuracy or completeness of the indexing information provided herein.

I am requesting an emergency nonstandard recording for an additional fee as provided in RCW
 36.18.010. I understand that the recording processing requirements may cover up or otherwise
 obscure some part of the text of the original document.

Signature of Requesting Party

STATE OF WASHINGTON

Deed of Trust
With Assignment of Rents

This Deed of Trust, is made this 1st day of February, 2002, between MT. VERNON MEDICAL INVESTORS, LLC, a Tennessee limited liability company dba MT. VERNON MEDICAL INVESTORS OF TENNESSEE, LLC, as Grantor, whose address is 3570 Keith Street NW, Cleveland, Tennessee 37312; and FIDELITY NATIONAL TITLE INSURANCE COMPANY, as Trustee, whose address is 200 Galleria Parkway, Suite 1695, Atlanta, Georgia 30339; and CAPITAL FUNDING GROUP, INC., a Maryland corporation, as Beneficiary, whose address is 1511 Highland Avenue, Suite 204, Baltimore, Maryland 21224.

Witnesseth: That Grantor grants, transfers, and assigns to Trustee in trust, upon the trust, covenants, conditions and agreements and for the uses and purposes hereinafter contained, with power of sale, all that real property situate, lying and being in Skagit County, State of Washington, described as follows:

See attached Legal Description (Exhibit "A").

See Rider to Deed of Trust attached hereto and incorporated herein.

See Assignment of Leases Rider to Deed of Trust attached hereto and incorporated herein.

Together with the rents, issues, and profits thereof, **subject however**, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits; and together with all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all fixtures, including but not limited to all gas and electric fixtures, engines and machinery, radiators, heaters, furnaces, heating equipment, laundry equipment, steam and hot-water boilers, stoves, ranges, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantels, cabinets, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, and all shades, awnings, screens, blinds and other furnishings, it being hereby agreed that all such fixtures and furnishings shall to the extent permitted by law be deemed to be permanently affixed to and a part of the realty, and

Together with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein; and

Together with all articles of personal property now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the lands described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the ones herein described and referred to, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner, and said Grantor agrees to execute a security agreement covering the aforesaid fixtures and articles of personal property, at the time of placing such personal property or any part thereof in the building or buildings to be erected on the lands herein described in the manner and form required by law, at its expense and satisfactory to the Beneficiary.



To have and to hold the property hereinbefore described together with appurtenances to the Trustee, its or his successors and assigns forever.

When and if Grantor and Beneficiary shall respectively become Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting property either referred to or described herein, or in any connection with the use and enjoyment of these premises, this Deed of Trust shall be deemed a Security Agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in said Financing Statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Beneficiary's sole election. Grantor and Beneficiary agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and hereby stated intention of the parties hereto, that everything used in connection with the production of income from the property that is the subject of this Deed of Trust and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal and equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Beneficiary, (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time.

For the purpose of securing performance of each agreement of Grantor herein and payment of a just indebtedness of the Grantor to the Beneficiary in the principal sum of Six Million Eight Hundred Sixty-Five Thousand Three Hundred Dollars (\$6,865,300.00), evidenced by its Note of even date herewith, bearing interest from date on outstanding balance at seven and one-tenth percent (7.10%) per annum, said principal and interest being payable in monthly installments as provided in said Note with a final maturity of March 1, 2037 which Note is identified as being secured hereby by a certificate thereon. Said note and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions thereof, however evidenced.

And to protect the security of this Deed of Trust, Grantor covenants and agrees:

1. That it will pay the Note at the times and in the manner provided therein;
2. That it will not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;
3. That the Regulatory Agreement, if any, executed by the Grantor and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, which is being recorded simultaneously herewith, is incorporated in and made a part of this Deed of Trust. Upon default under the Regulatory Agreement and upon the request of the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;
4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured, Permission is hereby given to Grantor so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with the provisions of the Regulatory Agreement;
5. That upon default hereunder Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;



6. The property that is the subject of this Deed of Trust is not used principally or primarily for agricultural or farming purposes;

7. That at the option of the Grantor, the principal balance secured hereby may be reamortized on terms acceptable to the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, if a partial prepayment results from an award in condemnation in accordance with the provisions of Paragraph 21, herein, or from an insurance payment made in accordance with the provisions of Paragraph 8 herein, where there is a resulting loss of project income;

8. That the Grantor will keep the improvements now existing or hereafter erected on the deeded property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner upon the insurance of the Deed of Trust and other hazards as may be required from time to time by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies, in amounts not less than necessary to comply with the applicable Coinsurance Clause percentage, but in no event shall the amounts of coverage be less than 80 percent of the Insurable Values or not less than the unpaid balance of the insured Deed of Trust, whichever is the lesser, and in default thereof the Beneficiary shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgagee clause with loss payable to the Beneficiary and the Secretary of Housing and Urban Development as interest may appear, and shall be deposited with the Beneficiary. The insurance carrier providing such insurance shall be chosen by the Grantor subject to approval by the Beneficiary; provided that such approval shall not be unreasonably withheld.

That if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held hereinabove provided, the amounts paid by any insurance company in pursuance of the Contract of Mortgage Insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the Beneficiary, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the property covered thereby at any Trustee's sale held hereunder;

9. Together with and in addition to the monthly payments of interest or of principal and interest payable under the terms of said Note, to pay to Beneficiary monthly until said Note is fully paid, beginning on the first day of the first month after the date hereof, the following sums:

- (a) An amount sufficient to provide the Beneficiary with funds to pay the next mortgage insurance premium if this instrument and the Note secured hereby are insured, or a monthly service charge, if they are held by the Secretary of Housing and Urban Development, as follows:
 - (I) If and so long as said Note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the Beneficiary one month prior to its due date the annual mortgage insurance premium, in order to provide such Beneficiary with funds to pay such premium to the Secretary of Housing and Urban Development, pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or
 - (II) Beginning with the first day of the month following an assignment of this instrument and the note secured hereby to the Secretary of Housing and Urban Development, a monthly service charge which shall be an amount equal to one-twelfth of one-half percent ($1/12$ of $1/2\%$) of the average outstanding principal balance due on the Note computed for each



successive year beginning with the first of the month following such assignment, without taking into account delinquencies or prepayments.

- (b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other property insurance covering the premises covered hereby, plus water rates, taxes and assessments next due on the premises covered hereby (**all as estimated by the Beneficiary**) less all sums already paid therefore divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, water rates, taxes and assessments will become delinquent, such sums to be held by Beneficiary in trust to pay said grounds rents, premiums, water rates, taxes, and special assessments.
- (c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the Note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by Beneficiary to the following items in the order set forth:
 - (i) premium charges under the Contract of Mortgage Insurance with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, or service charge;
 - (ii) ground rents, taxes, special assessments, water rates, fire and other property insurance premiums;
 - (iii) interest on the Note secured hereby;
 - (iv) amortization of the principal of said Note.

10. Any excess funds accumulated under paragraph (b) above remaining after payment of the items therein mentioned shall be credited to subsequent monthly payments of the same nature required thereunder; but if any such items shall exceed the estimate therefore, the Grantor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default hereunder. In case of termination of the Contract of Mortgage Insurance by prepayment of the mortgage in full, or otherwise (**except as hereinafter provided**), accumulations under paragraph (a) above not required to meet payments due under the Contract of Mortgage Insurance, shall be credited to the Grantor. If the property is sold under foreclosure or is otherwise acquired by the Beneficiary after default, any remaining balance of the accumulations under paragraph (b) above shall be credited to the principal of the debt as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and accumulations under paragraph (a) above shall be similarly applied unless required to pay sums due to the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner under the Contract of Mortgage Insurance.

11. To keep said property in good condition and repair, not to remove or demolish any buildings thereon; to complete or restore promptly and in good workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law and/or covenants, conditions and/or restrictions affecting said property; not to permit or suffer any alteration of or addition to the buildings or improvements hereafter constructed in or upon said property without the consent of the Beneficiary.

12. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of



evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear;

13. Should Grantor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; may commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; may pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, may pay necessary expenses, employ counsel, and pay his reasonable fees;

14. The Beneficiary shall have the right to pay mortgage insurance premiums or fire and other property insurance premiums when due to the extent that monthly payments made hereunder for the purpose of meeting same are insufficient. All such payments made by the Beneficiary shall be added to the principal sum secured hereby;

15. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the rate specified in said note;

~~16. That the funds to be advanced hereunder are to be used in the construction of certain improvements on the lands herein described in accordance with a certain building loan agreement made by and between Grantor and the Beneficiary dated the ____ day of _____, 19____, which said building loan agreement (except such part or parts thereof as may be inconsistent herewith) is incorporated herein by reference to the same extent and effect as if fully set forth herein, and made a part of this Deed of Trust; and on the failure of the Grantor to keep and perform all of the covenants, conditions, and agreements of said building loan agreement, thereupon, the principal sum and all arrears of interest, and other charges provided for herein shall at the option of the Beneficiary of this Deed of Trust become due and payable, anything contained herein to the contrary notwithstanding. This covenant shall be terminated upon the completion of the building or buildings to the satisfaction of the Beneficiary and the making of the final advance as provided in said building loan agreement;~~

17. The Grantor further covenants that it will not voluntarily create, suffer or permit to be created against the property subject to this Deed of Trust any lien or liens inferior or superior to the lien of this Deed of Trust and further that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises.

18. That the improvements about to be made upon the premises, covered by the Deed of Trust, and all plans and specifications comply with all municipal ordinances and regulations and all of other regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office;

19. That so long as this Deed of Trust and the said Note secured hereby are insured under the provisions of the National Housing Act, or held by the Secretary of Housing and Urban Development, it will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, or creed.

It is mutually agreed that:



20. That if the construction of the improvements herein referred to shall not be carried on with reasonable diligence or shall be discontinued at any time for any reason other than strikes or lockouts, the Beneficiary, after due notice to the Grantor or any subsequent owner, is hereby invested with full and complete authority to enter upon said premises, employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, and to continue any and all outstanding contracts for the erection and completion of said building or buildings, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Grantor, and to pay and discharge all debts, obligations and liabilities incurred thereby. All such sums so advanced by the Beneficiary **(exclusive of advances of the principal of the indebtedness secured hereby)** shall be added to the principal of the indebtedness secured hereby and shall be secured by this Deed of Trust and shall be due and payable on demand with interest at the rate specified in said Note, but no such advances shall be insured unless same are specifically approved by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, prior to the making thereof;

21. That all awards of compensation in connection with condemnation for public use of or a taking of any of that property, shall be paid to the Beneficiary to be applied to the amount due under the note secured hereby in (1) amounts equal to the next maturing installment or installments of principal and (2) with any balance to be credited to the next payment due under the note. That all awards of damages in connection with any condemnation for public use of or injury to any residue of that property, shall be paid to the Beneficiary to be applied to a fund held for and on behalf of the Grantor which fund shall, at the option of the Beneficiary, and with the prior approval of the Secretary of Housing and Urban Development, either be applied to the amount due under the note as specified in the preceding sentence, or be disbursed for the restoration or repair of the damaged residue. No amount applied to the reduction of the principal amount due in accordance with (1) shall be considered an optional prepayment as the term is used in this Deed of Trust and the Note secured hereby, nor relieve the Grantor from making regular monthly payments commencing on the first day of the first month following the date of receipt of the award. The Beneficiary is hereby authorized in the name of the Grantor to execute and deliver valid acquittances for such awards and to appeal from such awards.

22. At any time upon written request of the Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement **(in case of full reconveyance, for cancellation and retention)**, without affecting the liability of any person for the payment of the indebtedness Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The Grantee in any reconveyance may be described as the "person or persons legally entitled thereto", and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.

23. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder or should this Deed of Trust and said Note not be eligible for insurance under the National Housing Act within eight (8) months from the date hereof **(written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to eight (8) months' time from the date of this Deed of Trust, declining to insure said Note and this Deed of Trust, being deemed conclusive proof of such ineligibility)**, or should the commitment of the Department of Housing and Urban Development to insure this loan cease to be in full force and effect for any reason whatsoever, Beneficiary may declare all sums secured hereby immediately due and payable. No waiver by Beneficiary of any default on the part of Grantor shall be construed as a waiver of any subsequent default hereunder.

24. Upon default or upon the happening of any event described in Paragraph 23 above, and upon written consent of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction, to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale,



including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto; Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had, or had the power to convey at the time of its execution of this Deed of Trust, and such as it may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value. The power of sale conferred by this Deed and Trust and by the Deed of Trust Act of the State of Washington, is not an exclusive remedy and when not exercised, Beneficiary may foreclose this Deed of Trust as a mortgage. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

25. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

26. By accepting payment of any sums secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or declare default for failure so to pay.

27. The collection of rents, issues, and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

28. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto;"

29. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

30. The trust created hereby is irrevocable by Grantor.

31. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder including pledgees, of the note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of each Grantor hereunder are joint and several;

32. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Grantor, Beneficiary, or Trustee shall be a party unless brought by Trustee;



33. The undersigned **Grantor** requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the mailing address opposite his name hereto. Failure to insert such address shall be deemed a waiver of any request hereunder for a copy of such notices.

Street and Number	Mailing Address for Notices City and State	Name of Trustor
3570 Keith Street	Cleveland, TN 37312	Mt. Vernon Medical Investors, LLC, a Tennessee limited liability company

[SEE ATTACHED SIGNATURE PAGE]



DEED OF TRUST WITH ASSIGNMENT OF RENTS SIGNATURE PAGE

IN WITNESS WHEREOF, the Grantor has caused its name to be hereunto subscribed by its duly authorized officers and its corporate seal affixed the day and year herein first above written.

Mt. Vernon Medical Investors, LLC,
a Tennessee limited liability
company

By: Cindy S. Cross
Name: Cindy S. Cross
Its: Vice President

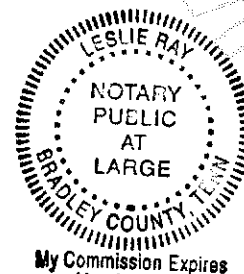
STATE OF Tennessee) ss
COUNTY OF Bradley)

On this 18th day of February, 2002, before me appeared Cindy S. Cross,
to me personally known, who, being by me duly sworn, did say that she/he is a
Vice President of the Grantor, a limited liability company organized
under the laws of the State of Tennessee, and she/he did sign and acknowledge the
foregoing instrument in the name and on behalf of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal
on the day and year last above written.

Leslie Ray
Notary Public

My commission expires: 5/29/05



200203130113

Skagit County Auditor

ASSIGNMENT OF LEASES RIDER TO DEED OF TRUST

Grantor hereby assigns, grants and transfers to Beneficiary, its successors and assigns, all interest of the Grantor in that certain Lease by and between Grantor as "Landlord" and Mt. Vernon Medical Investors Limited Partnership, a Tennessee limited partnership, as "Tenant", together with any subsequent leases affecting the property described in the Deed of Trust (the "Leases"), together with all rents, income, revenues and profits now due, or which may become due under the Leases or arising otherwise out of the property covered by this Deed of Trust (the "Property"), or any interest therein, together with all rights which Grantor may have against all tenants or others under said Leases or otherwise in connection with the Property (collectively, the "Rents"). This assignment is subject to a license hereby reserved to Grantor, but limited as hereinafter provided, to collect said Rents.

Grantor expressly assigns, grants and transfers to Beneficiary, its successors and assigns, all of Grantor's rights to and security interest in the following assets of Tenant enumerated in Paragraph 27 of the above-described Lease, to wit: (i) the License; (ii) the Provider Agreements and the Certificates of Need; and (iii) the Accounts Receivable (as defined in the said Lease).

Grantor agrees to timely perform and discharge all obligation of Grantor as Landlord under the Lease.

Grantor further agrees not to receive or collect any Rents in advance, nor pledge, or assign future Rents, nor release or discharge any Tenant thereof from any obligation under his Lease; nor to cancel, modify, extend or renew any Lease or disposes any Tenant (collectively "Lease Modification") without the prior written approval of Beneficiary.

So long as Grantor shall not be in default hereunder, Grantor shall have the license reserved hereby to collect all Rents.

Upon default by Grantor hereunder, Beneficiary may, at its option, terminate the license of Grantor to collect the Rents and bring an action to appoint a receiver to enter upon, take possession of, manage and operate the Property and collect the Rents, make, enforce, and modify the Leases now or hereafter in effect, and otherwise perform all acts with respect to the Property, Leases and Rents as fully as Grantor could do if personally present, and Beneficiary shall, after payment of all expenses, credit the net amount of income which it may receive to the indebtedness secured hereby, in the manner, order and amounts as Beneficiary shall determine.

Notwithstanding anything herein to the contrary, acceptance by Beneficiary of this assignment shall not constitute Beneficiary a mortgagee in possession, or obligate Beneficiary to appear in or defend any action or proceeding relating to the Rents, Leases, or the Property, or to take any action hereunder, or incur any expense.



Beneficiary be liable for any injury or damage to person or property sustained by any persons, in or about the Property. This assignment is an assignment of rights only, and not a delegation of duties.

Grantor hereby irrevocably appoints Beneficiary its true and lawful attorney, coupled with an interest, in the name of Grantor, to subordinate any Lease to the lien of this Deed of Trust and to collect all Rents payable under the Leases upon termination of the license herein granted. This assignment shall, subject to the license granted herein, constitute a direction to and full authority to Tenant and any tenant under the Leases to pay all Rents to Beneficiary. The foregoing powers are irrevocable, continuing, and exclusive in Beneficiary, its successors and assigns.

Upon payment in full of the indebtedness secured by this Deed of Trust, this assignment shall be of no further force and effect and Beneficiary shall execute such documents, in recordable form, as may be required or needed to reconvey and/or rescind this assignment.



200203130113

Skagit County Auditor

RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

1. Mortgagor may not prepay the Deed of Trust Note (the "Note"), in whole or in part, prior to March 1, 2007, except upon an insured casualty loss or condemnation of the property described in the Deed of Trust with Assignment of Rents ("Deed of Trust") provided in the Deed of Trust. On or after March 1, 2007 and up to and including February 29, 2008, the Mortgagor may prepay the Note in whole or in part upon payment of an amount equal to five percent (5%) of the amount prepaid. On or after March 1, 2008 and up to and including February 28, 2009, the Mortgagor may prepay the Note in whole or in part upon payment of an amount equal to four percent (4%) of the amount prepaid. On or after March 1, 2009 up to and including February 28, 2010, the Mortgagor may prepay the Note in whole or in part upon payment of an amount equal to three percent (3%) of the amount prepaid. On or after March 1, 2010 and up to and including February 28, 2011, the Mortgagor may prepay the Note in whole or in part upon payment of an amount equal to two percent (2%) of the amount prepaid. On or after March 1, 2011 and up to and including February 29, 2012, the Mortgagor may prepay the Note in whole or in part upon payment of an amount equal to one percent (1%) of the amount prepaid. On or after March 1, 2012, the Mortgagor may prepay the Note in whole or in part without penalty. Notwithstanding any partial prepayment of principal made pursuant to the privilege of prepayment set forth in the Note, the Mortgagor shall not be relieved of its obligations to make scheduled monthly installments of principal and interest as and when such payments are due and payable under the Note.

2. NOTWITHSTANDING ANY PREPAYMENT PROHIBITION IMPOSED AND/OR PENALTY REQUIRED BY THE NOTE OR DEED OF TRUST WITH RESPECT TO PREPAYMENTS MADE PRIOR TO MARCH 12, 2011, THE INDEBTEDNESS MAY BE PREPAID IN WHOLE OR IN PART WITHOUT THE CONSENT OF THE HOLDER AND WITHOUT PREPAYMENT PENALTY IF HUD DETERMINES THAT PREPAYMENT WILL AVOID A MORTGAGE INSURANCE CLAIM AND THEREFORE IS IN THE BEST INTEREST OF THE FEDERAL GOVERNMENT.

3. (a) The provisions of this Paragraph 3 shall apply to any prepayment made during the prepayment limitation period specified above, regardless of whether said prepayment is voluntary or involuntary, including any prepayment occurring during an Acceleration of the debt by the Holder as the result of any default by the Mortgagor or in the event the debt is satisfied or released by foreclosure (whether by power of sale or by judicial proceeding, deed in lieu of foreclosure, or by any other means). The restrictions on prepayment contained in this Paragraph 3 shall not be waived, modified, altered, amended or deleted without the written consent of the Holder.

(b) The Mortgagor shall give the Holder not less than thirty (30) days prior written notice of any prepayment, which notice shall specify the date on which



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prepayment is to be made, the principal amount of such prepayment and the total amount to be tendered.

(c) Any prepayment made hereunder shall be made to the Holder only on the last day of any given month.

(d) Any prepayment made under this Paragraph 3 shall be accompanied by an amount of money that is sufficient to provide for the payment of the following:

- (i) The applicable prepayment premium as provided for in paragraph 1;
- (ii) Interest accrued and unpaid on the principal balance of the Note, to and including the date of prepayment; and
- (iii) All other sums due or owing under the Note or the Deed of Trust at time of prepayment.

(e) Any prepayment made under this Paragraph 3 shall be subject to the following additional conditions, requirements and understandings:

- (i) The Mortgagor shall obtain the prior written consent of the Secretary of Housing and Urban Development if such approval is required under the Note or by HUD regulations.
- (ii) There shall be no default under the Note or the Deed of Trust securing same at time of prepayment.
- (ii) Such prepayment shall be in any whole multiple of Five Thousand Dollars (\$5,000.00).
- (iv) Such prepayment shall be made in Federal funds.
- (v) The acceptance of any prepayment hereunder by the Holder shall not release the Mortgagor from its obligation to pay all installments of principal and interest as they become due under the Note, including the installment next becoming due after such prepayment period.
- (vi) The Holder shall not be required to accept any prepayment tendered under this Paragraph vi which is not in compliance with all of the conditions and requirements specified herein.



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4. In the event that the Mortgagor shall fail to make any installment or part of any installment due hereunder within fifteen (15) days after the due date hereof, the Holder may, at its option, impose a late charge upon the Mortgagor in an amount not to exceed No Dollars and two Cents (\$0.02) on each dollar of the amount of principal and interest so delinquent.

5. Notwithstanding any other provision contained herein or in the Note, it is agreed that the execution of the Note shall impose no personal liability on the Mortgagor for payment of the indebtedness evidenced thereby and in the event of a default, the holder of the Note shall look solely to the property subject to this Deed of Trust and to the rents, issues and profits thereof in satisfaction of the indebtedness evidenced by the Note and will not seek or obtain any deficiency or personal judgment against the Mortgagor except such judgment or decree as may be necessary to foreclose or bar its interest in the property subject to this Deed of Trust and all other property Mortgaged, pledged, conveyed or assigned to secure payment of the Note; provided, that nothing in this condition and no action so taken shall operate to impair any obligation of the Mortgagor under the Regulatory Agreement herein referred to and made a part hereof.

IN WITNESS WHEREOF, the Owner has executed this Rider as of the date first above written.

WITNESS:

Jaime E. Sipe

Mt. Vernon Medical Investors, LLC, A
Tennessee limited liability company

By: Cindy A. Cross
Name: Cindy S. Cross
Its: Vice President



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EXHIBIT A TO DEED OF TRUST

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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LEGAL DESCRIPTION

LC-059

LOT 2 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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