

This Instrument Was Prepared By  
And After Recording Please Return To:

Michael J. Wolfe  
Meltzer, Purtill & Stelle LLC  
1515 East Woodfield Road, Second Floor  
Schaumburg, Illinois 60173

**CHICAGO TITLE CO.**

1C30311✓

**ASSIGNMENT OF RENTS**

PTN LTS 2-8 & 16-19, BLOCK 3, STEWART'S FIRST ADD. TO ANA  
P60416, P60417, San Juan Rehab and Care Center Home  
P60420, P60421, Anacortes, Skagit County, Washington  
P60422, P58104 & P58105

**SAN JUAN NH PROPERTY, L.L.C.**, a Delaware limited liability company  
("Assignor"), for good and valuable consideration, receipt whereof being hereby acknowledged,  
hereby irrevocably assigns to LaSalle Bank National Association ("Assignee") all of the  
Assignor's interest and rights as lessor in and to all leases now or hereafter affecting the  
property, including all improvements thereon, described upon Exhibit A attached hereto  
(whether one or more parcels or multiple locations, hereinafter referred to individually and  
collectively as the ("Property") or any part thereof, whether written or verbal, and all rents,  
amounts, issues, proceeds, deposits and profits accruing and to accrue from the Property,  
whether payable pursuant to any present or future lease(s) or otherwise growing out of any  
letting of or any agreement for the sale, occupancy or use of the Property or any portion thereof  
which may have been heretofore or hereafter made or agreed to (the "Rents") which are due or  
shall become due to Assignor, including without limitation, all Rents under the terms of that  
certain Lease dated October 12, 1999 between Zev Karkomi and Jerrold Ruskin, as Lessor, and  
Eagle Health Care, Inc., as Lessee, as amended by First Amendment to Lease dated August 10,  
2000, including the Sublease and Consent dated January 1, 2001 by and among Tenant, Lessor  
and Hope Care, Inc., and any amendments of the foregoing from time to time all of Lessor's  
interest and obligations under which have been assigned to San Juan NH Property, L.L.C. in



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accordance with an Assignment of Lease and Unconditional Guaranty of Lease dated March 19, 2004 (the "Lease"), concerning the Property, and any renewal, amendment or replacement thereof.

This Assignment of Rents is an absolute assignment, and is intended to vest in the Assignee the right to collect all Rents subject only to the conditional license to collect, apply, use and enjoy the Rents granted by the Assignee to the Assignor under the terms provided below:

At any time an Event of Default, as defined in the Mortgage, Term Loan Agreement (the "Loan Agreement"), Security Agreement and Term Note between Assignor and Assignee and dated the date hereof (collectively, the "Loan Documents"), has occurred and is continuing, Assignee may enter upon and take possession of the Property or any part thereof, and at any such time, or if Assignee in the reasonable exercise of its discretion determines that payment or performance of any of the Assignor's Obligations to Assignee (as defined in the Term Loan Agreement and Mortgage) is insecure, Assignee may demand, sue for, receive and give receipts, releases and satisfactions for all Rents. At any time that Assignee has not exercised its right to take possession of the Property and there is not in effect any demand by Assignee for the direct payment of the Rents to Assignee given pursuant to the immediately preceding sentence, Assignor may collect the Rents provided that no Rents shall be collected by Assignor more than thirty (30) days in advance of the period of occupancy to which they relate. The Rents collected by Assignor pursuant to the license granted in the immediately preceding sentence shall be held by Assignor as trustee for the benefit of all Obligations which are then due and payable may be used by Assignor for any proper purpose. Any demand by Assignee upon Lessee, as tenant under the Lease, or any other tenant of the Property under any future lease accompanied by a copy of this Assignment of Rents shall be sufficient authority for Lessee or such other tenant thereafter to make all payments of Rent directly to Assignee, and Lessee or any such other tenant shall have no obligation or authority to inquire into the propriety of any such demand. Upon making payment of the Rents to Assignee pursuant to Assignee's demand, Lessee or any other tenant of the Property (as the case may be) shall be as fully discharged of its obligations under the Lease or any other lease to the extent of such payments as if such payments had been made directly to Assignor. If at any time the Rents are required to be made directly to Assignee under the terms of this paragraph and notwithstanding such requirement such payments are made to Assignor, Assignor will receive such payments in trust for Assignee and will forward them immediately to Assignee in the form in which received, adding only such endorsements or assignments as may be necessary to perfect Assignee's title thereto. Any amounts collected by Assignee pursuant to this Assignment of Rents shall be applied by Assignee to the Obligations as are then due and payable as Assignee



determine. If no Obligations are then due and payable, such amounts may be held by Assignee as cash collateral for the Obligations, without liability for interest thereon, provided that Assignee will, at the direction of Assignor, invest such amounts for the account and at the risk of Assignor in U.S. Treasury Bills with less than sixty (60) days remaining to maturity or in similar essentially risk-free, cash equivalent investments as Assignor may reasonably direct and any earnings derived from such investments will become a part of the cash collateral account any portion or all of the cash collateral account which is not applied to Obligations pursuant to the terms of this paragraph may at the discretion of Assignee be released to Assignor. The authority given to collect the Rents conferred upon Assignee under the terms of this Assignment of Rents is irrevocable.

Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that all of the agreements and undertakings made by Assignor hereunder are not made for the purpose or with the intention of binding any of the members, managers or partners of Assignor, as applicable, or any of their respective officers, directors, shareholders, members, managers, partners, agents, employees, successors or assigns personally, but are made and intended solely for the purpose of binding (and shall be enforceable against) only Assignor, no personal liability is assumed by or shall at any time be asserted or enforceable against any of the members, managers or partners of Assignor, as applicable, or any of their respective officers, directors, shareholders, members, managers, partners, agents, employees, successors or assigns all such personal liability of such persons or entities being expressly waived; provided that, nothing in this paragraph shall be deemed to limit or release the liability of any Guarantor who has executed an Unconditional Guaranty of even date herewith as described and defined more fully in the Loan Agreement and the Loan Documents.

[Signature Page to Follow]



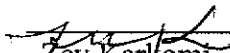
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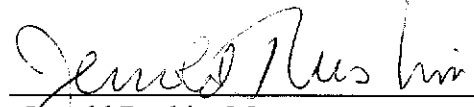
IN WITNESS WHEREOF, this Assignment of Rents has been duly executed effective as of March 19, 2004, which is the Effective Date.

Signed and acknowledged  
in the presence of

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_

**SAN JUAN NH PROPERTY, L.L.C.**, a  
delaware limited liability company

By:   
Zev Karkomi, Manager

By:   
Jerrold Ruskin, Manager

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STATE OF Illinois )  
 ) SS:  
COUNTY OF Cook )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of March, 2004 by Zev Karkomi, the Manager of San Juan NH Property, L.L.C., a Delaware limited liability company.

Suzanne Ladshaw  
Notary Public

My Commission Expires: 11-8-2005

[SEAL]

STATE OF Illinois )  
 ) SS:  
COUNTY OF Cook )

Suzanne Ladshaw  
Notary Public, State of Illinois  
My Commission Expires Nov. 8, 2005

The foregoing instrument was acknowledged before me this \_\_\_\_ day of March, 2004 by Jerrold Ruskin, the Manager of San Juan NH Property, L.L.C., a Delaware limited liability company.

Suzanne Ladshaw  
Notary Public

My Commission Expires: 11-5-2005

[SEAL]

**"OFFICIAL SEAL"**  
Suzanne Ladshaw  
Notary Public, State of Illinois  
My Commission Expires Nov. 8, 2005

  
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## **EXHIBIT A**

### **Legal Description**

Lots 2 through 7, inclusive, the East 1/2 of Lot 8 and Lots 16 through 19, inclusive, all in Block 3, "STEWART'S FIRST ADDITION TO THE CITY OF ANACORTES, WASH.," as per plat recorded in Volume 2 of Plats, page 14, records of Skagit County, Washington.

Tracts 26 and 27, "NELSON'S ADDITION TO ANACORTES, WASH.," as per plat recorded in Volume 2 of Plats, page 102, records of Skagit County, Washington.

PROPERTY ADDRESS: 911 21st Street, Anacortes, Washington



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