

REQUESTED BY
FIRST AMERICAN TITLE CO.

IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2003 NOV -7 PM 3: 59

WERNER CHRISTEN
RECORDER

\$20⁰⁰ PAID BH DEPUTY

**Recording Requested by and
When Recorded Mail to:**

**U.S. BANK NATIONAL ASSOCIATION
Commercial Real Estate Division
2300 West Sahara Avenue
Suite 350, Box 20
Las Vegas, Nevada 89102**

Please Mail all Tax Notices to:

**MEADOW BROOK ASSOCIATES, LP
183 Highway 50
P. O. Box 456
Zephyr Cove, Nevada 89448
Attention: General Partner**

ASSIGNMENT OF RENTS AND LEASES

This **ASSIGNMENT OF RENTS AND LEASES**, made and effective as of November 4, 2003, by MEADOW BROOK ASSOCIATES, LP, a Nevada limited partnership (the "Assignor") to U.S. BANK NATIONAL ASSOCIATION ("Assignee").

WITNESSETH:

A. To evidence and secure a loan (the "Loan"), Assignor has made and delivered to Assignee a Promissory Note of even date herewith (the "Note") in the principal amount of \$4,291,246.00, payable monthly, with interest as therein expressed, and Assignor has executed and delivered a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith ("Deed of Trust") to secure the Note and creating a lien on Assignor's interest in certain real property situate in Douglas County, Nevada, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof, including the improvements now or hereafter constructed thereon and the easements, rights and appurtenances thereunto belonging, all of which are hereinafter called the "Premises"; and

B. Assignee has required the assignment hereafter made as a condition to making the above loan;

NOW, THEREFORE, for value received, Assignor hereby absolutely and irrevocably grants, transfers, assigns, and sets over to Assignee all rents, issues, and profits of and from the Premises, and in and to all leases now or hereafter existing, of all or any part of the Premises (the "Leases").

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Without limiting the generality of the foregoing, it is agreed as follows:

1. Assignor absolutely and irrevocably grants, transfers, and assigns to Assignee all assignor's right, title, and interest in and to the Leases and in and to the right to use and possess the Premises, including, without limitation, any and all of the rents, issues, profits now due or which may hereafter become due under and by virtue of all present and future leases, between Assignor, as landlord, and any and all tenants of the Premises, for the purposes of securing:

(a) Payment of the Note and any extensions, modifications, or renewals thereof.

(b) Payment of all other sums with interest thereon becoming due and payable to Assignee under the terms hereof and as set forth in the Note and Deed of Trust.

(c) Performance and discharge of each and every term, provision, condition, obligation, covenant, and agreement of Assignor herein and as set forth in the Note, the Deed of Trust, and all other loan documents executed in connection with the Loan.

2. Assignor represents that (a) Assignor is the lessor under the terms and provisions of the Leases; (b) Assignor is entitled to receive all the rents, issues and profits and to enjoy all the rents and benefits mentioned herein and assigned hereby; (c) the same have not been heretofore sold, assigned, transferred or set over by any instrument now in force and will not at any time during the term of the Loan be sold, assigned, transferred, or set over by Assignor or any other person or persons taking under or through Assignor, except subject to this Assignment; and (d) Assignor has the sole right to sell, assign, transfer, and set over the same and to grant and confer upon Assignee the rights, interests, powers, and authorities herein granted and conferred.

3. Assignor will from time to time execute any and all instruments requested by Assignee in order to effectuate this Assignment and to accomplish any of the purposes that are necessary or appropriate in connection with this Assignment including without limitations, specific assignments of any lease or agreement relating to the use and occupancy of the Premises or to any part thereof now or hereafter in effect and not specifically defined herein as an existing lease, as may be necessary or desirable in Assignee's opinion in order to constitute the same an existing lease hereunder.

4. This Assignment shall in no way operate to restrict or prevent Assignee from pursuing any remedy which it may now or hereafter have because of any present or future breach of the terms or conditions of the Note, the Deed of Trust, or any other document executed in connection with the loan.

5. Assignee shall not in any way be responsible for any failure to do any or all of the things for which the rights, interests, power, and authority are herein granted; Assignee shall not be responsible for or liable under any of the agreements undertaken or obligations imposed upon the lessor under the Leases or other agreements with respect to the Premises.

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6. Assignee shall be accountable only for such cash as it receives under the terms of this Assignment.

7. Assignee's failure to do any of the things or exercise any of the rights, interests, powers, and authority granted hereunder shall not be construed as a waiver of any of the rights, interests, powers, or authorities assigned and granted to the Assignee under this Assignment.

8. Assignee may assign this Assignment and the rights accruing hereunder to any subsequent assignee and holder of the Note and Deed of Trust.

9. The parties agree that this Assignment is a present and irrevocable Assignment and is effective as of the date hereof, and that upon demand made by the Assignee on the lessee under the Leases or on any person liable for any of the rents, issues, and profits of and from the Premises or any part thereof, such lessee or person liable for any of such rents, issues, and profits shall, and is hereby authorized and directed to pay to or upon Assignee's order, and without any inquiry of any nature, all rents then or thereafter accruing under the Leases or any other instrument or agreement, oral or written, granting rights to, and creating an obligation to pay, rents, issues, or profits in connection with the Premises.

10. As long as Assignor is not in default in the payment of any indebtedness secured hereby, or in the performance of any obligation, covenant, or agreement contained herein or in the Note, the Deed of Trust, or any other loan documents executed in connection with the Loan, Assignee agrees not to demand from any lessee under the Leases or from any other persons liable therefor, any of the rents, issues, or profits hereby assigned but grants Assignor a license to collect all such rents, issues, and profits from the Premises and the Leases on but not prior to accrual and to retain and enjoy the same, provided, however, that notwithstanding the provisions of this section, all lessees under the Leases and all persons liable for rents, issues, and profits of and from the Premises shall comply with any demands for rents made by Assignee pursuant to the provisions of this Assignment.

11. Upon or at any time after default in the payment of any indebtedness evidenced by the Note or secured by the Deed of Trust, or in the performance of any term, provision, condition, obligation, covenants, or agreement contained herein or in the Note, the Deed of Trust, or any other loan documents executed in connection with the Loan, and after the expiration of any period of grace, if any, with respect to any such default provided for in the Note or Deed of Trust, Assignee may declare all sums secured hereby immediately due and payable and may, at the Assignee's option, without notice, either in Assignee's person or by agent and with or without bringing any action or proceeding, or by any receiver to be appointed by a court enter upon, take possession of, and manage and operate the Premises and each and every part thereof, and in connection therewith, Assignee may make, cancel, endorse, assign and modify leases (including the Leases); fix or modify rents; repair, maintain, and improve the Premises; employ contractors, subcontractors, and workmen in and about the Premises; obtain and evict tenants; in its own name, sue for or otherwise collect or reserve any and all rents,

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issues, and profits, including those past due and unpaid; employ leasing agents, managing agents, attorneys, and accountants in connection with the enforcement of Assignee's rights hereunder and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which Assignee may deem necessary and appropriate in and about the Premises for the protection thereof and of the Assignee's rights hereunder or under the Note and Deed of Trust, and any and all amounts expended by Assignee in connection with the foregoing shall constitute an additional indebtedness secured hereby. Assignee shall apply any moneys collected by Assignee, as aforesaid, less costs and expenses incurred, as aforesaid, upon any indebtedness secured hereby in such order and manner as Assignee may determine. The entering upon and taking possession of the Premises; the collection of rents, issues, and profits; the exercise of any rights hereinabove specified; and the application of collections, as aforesaid, shall not cure, waive, modify, or affect any default hereunder or under the Note or Deed of Trust.

12. All tenants or occupants of any part of the Premises (including, without limitation, all persons claiming any interest as lessee under any existing lease) are hereby authorized to recognize the claims and demands of Assignee and may do so without investigation as to the reason for any action taken by Assignee or the validity or the amount of indebtedness owing to Assignee or the existence of any default hereunder or under the Note or Deed of Trust, or other loan documents executed in connection with the Loan, or the application to be made by Assignee, of any amounts to be paid to Assignee. Assignee's sole signature shall be sufficient for the exercise of any right under this Assignment and Assignee's sole receipt given for any sums received shall be a full discharge and release therefor as to any such tenant or occupant of the Premises. Checks for all or any part of the rental collected under this Assignment shall be made to the exclusive order of the Assignee.

13. Assignee shall not be obligated to perform or discharge any obligation, duty, or liability under the Leases, nor shall this Assignment operate to place upon the Assignee responsibility for the control, operation, management, or repair of the Premises or the carrying out of any of the terms and conditions of the Leases; nor shall this Assignment operate to make the Assignee liable for any waste committed on the Premises by the lessee under any lease or any other party, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair, or control of the Premises, resulting in loss, injury, or death to any tenant, licensee, employee, invitee, or stranger.

14. Assignor shall, and does hereby agree to, indemnify and hold Assignee harmless of and from any and all liability, loss, or damage which it may or might incur under the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever (except for claims or demands based on Assignee's own gross negligence or wilful misconduct) which may be asserted against Assignee by reason of any alleged obligations or undertakings on Assignee's part to perform or discharge any of the terms, covenants, or agreements contained in the Leases. Should Assignee incur any such liability, loss, or damage under the Leases or under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be secured hereby and Assignor shall reimburse the Assignee therefor immediately upon

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demand, and upon Assignor's failure to do so, the Assignee may declare all sums thereby immediately due and payable.

15. Assignee has not received, nor have any securities deposited by any lessee with the lessor under the terms of the Leases been transferred to Assignee; and the Assignee assumes no responsibility or liability for any securities so deposited.

16. Assignor has not and will not accept rent in advance under any Leases of all or any part of the Premises except only monthly rents for current months which may be paid in advance.

17. Assignor shall cause this Assignment to be recorded and filed and re-recorded and re-filed in each and every public office in which said filing and recording may be necessary to constitute record notice of this Assignment and the terms and provisions hereof as applicable to the Premises.

18. Upon payment in full of all indebtedness and on the performance of all the obligations secured hereby, this Assignment shall become null and void and of no effect.

19. This Assignment is binding upon and inures to the benefit of the parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Assignor," as used herein, shall include each Assignor whose name appears below, severally and all such assignors, jointly and severally, and their respective heirs, legatees, devisees, executors, successors, and assigns. The term, "Assignee," as used herein, shall include the named Assignee and all said Assignee's successors and assigns, including each and every person or entity who or which from time to time, becomes owner and holder of the Note and Deed of Trust, and such successors and assigns shall have, hold, and enjoy all of the rights, and benefits hereby afforded and conferred upon the named Assignee as fully and with the same effect as if such successors and assigns were by name herein designated as Assignee.

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IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day, month, and year, first-above written.

ASSIGNOR:

MEADOW BROOK ASSOCIATES, LP, a Nevada limited partnership, by its following General Partner

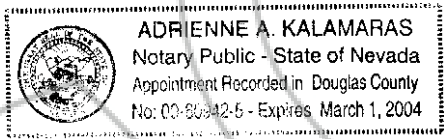
Lake Vista Apartments LLC, a Nevada limited liability company

By: *Gordon Randall Lane*
Gordon Randall Lane, Manager

STATE OF NEVADA }
 } SS
COUNTY OF Douglas }

On this 5th day of November, 2003, personally appeared before me a Notary Public in and for said County and State, Gordon Randall Lane, Manager of Lake Vista Apartments LLC, a Nevada limited liability company, General Partner of MEADOW BROOK ASSOCIATES, LP, a Nevada limited partnership, who is personally known (or proved) to me, and who executed the foregoing instrument, and upon oath did depose that he executed the instrument freely and voluntarily and for the uses and purposes therein mentioned.

Adrienne A. Kalamaras
NOTARY PUBLIC



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EXHIBIT "A"
(Legal description of the Property)

The land referred to herein is situated in Douglas County, State of Nevada, and is described as follows:

Being a portion of Section 22, Township 13 North, Range 18 East, M.D.B. & M., further described as follows:

COMMENCING at the Northeast corner of Lot 16, in block 3 or OLIVER PARK, as shown on the map thereof, filed in the office of the County Recorder of Douglas County, Nevada, on February 2, 1959;

thence along the Northeasterly line of MICHELE DRIVE the following distances and courses;
North 18°23'35" East, a distance of 111.645 feet;

thence on a curve to the right having a radius of 575.00 feet through a central angle of 10°25'14" for an arc distance of 104.58 feet;

thence North 28°48'49" East, a distance of 257.22 feet to the point of intersection with the Southwesterly line of Kahle Drive extended Northwesterly;

thence along the Southwesterly line of said Kahle Drive extended North 61°11'11" West, a distance of 486.87 feet to the TRUE POINT OF BEGINNING;

thence continuing along said line North 61°11'11" West, a distance of 565.63 feet;

thence along a curve to the left having a radius of 20.00 feet through a central angle of 90°00', an arc distance of 31.42 feet;

thence South 28°48'49" West, a distance of 295.29 feet to a point;

thence South 60°40'41" East, a distance of 585.65 feet;

thence North 28°48'49" East, a distance of 320.54 feet to the POINT OF BEGINNING.

Per NRS 111.312, this legal description was previously recorded on October 9, 2001, in Book 1001, Page 2502, Document No. 524684, of Official Records.

Assessor's Parcel No. 1318-22-002-003

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