

OFFICIAL RECORD

Requested By:

FIRST AMERICAN TITLE COMPANY

Assessor's Parcel Number: 1318-03-210-035

Recording Requested By:

Name: Apex Mortgage Services

Address: 1551 N. Tustin Ave., #660

City/State/Zip Santa Ana, CA 92705

R.P.T.T.: \_\_\_\_\_

# 2260153-WS

Assignment of Leases and Rents  
(Title of Document)

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 8 Fee: 21.00  
BK-0206 PG- 5442 RPTT: 0.00



This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies)

*This cover page must be typed or legibly hand printed.*

C:\bc docs\Cover page for recording

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

(SPACE ABOVE LINE FOR RECORDER'S USE)

**ASSIGNMENT OF LEASES AND RENTS**

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of **February 15, 2006** by **West Coast Realty Capital Inc. a Nevada Corporation by: Steve A. Dalby, President and Secretary.** ("Assignor"), to Apex Mortgage Services ("Assignee") with respect to the following:

**RECITALS**

A. Assignor is the present owner of the real property described as **105 Tahoe Drive Zephyr Cove, NV 89448** also described as

**See Exhibit "A" attached hereto and made a part hereof...**

(the "Property") and all improvements now existing or to be constructed thereon (the "Improvements"). The Property and the Improvements are herein referred to collectively as the "Property".

B. Assignee has agreed to make a loan (the "Loan") to Assignor in the original principal amount of **One Hundred Thousand Dollars and NO/100 (\$100,000.00)**, as evidenced by that certain Secured Promissory Note of even date herewith (the "Note"). The Note is secured by that certain Deed of Trust of even date herewith (the "Deed of Trust").

C. Pursuant to the Note, and in order to induce Assignee to make the Loan to Assignor, Assignor has agreed to execute this Assignment.

**AGREEMENT**

NOW, THEREFORE, with reference to the foregoing Recitals and in reliance thereon and for a good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Assignor agrees as follows:

1. Assignment. Assignor hereby absolutely, irrevocably, presently and unconditionally grants, sells, assigns, transfers and sets over to Assignee all of the rents, issues,



profits, royalties, income, earnings, revenue, proceeds and other benefits (collectively, the "Rents") derived from any lease, sublease, license, franchise, concession, occupancy agreement, right to use, or other agreement (collectively, the "Leases") now existing or hereafter created and affecting all or any portion of the Property or the use or occupancy thereof, together with all of Assignor's right, title and interest in the Leases including all modifications, amendments, extensions and renewals of the Leases and all rights and privileges incident thereto; and together with all security deposits, guaranties and other security now or hereafter held by Assignor as security for the performance of the obligations of the tenants thereunder.

This Assignment is intended by Assignor and Assignee to create and shall be construed to create a present and absolute assignment to Assignee of all of Assignor's right, title and interest in the Rents and in the Leases within the meaning of California Civil Code Section 2938. By its acceptance of this Assignment and so long as Assignor is not in default of the Note, the Deed of Trust or any document securing any portion of the indebtedness evidenced by the Note (collectively, "Loan Documents"), Assignee hereby grants to Assignor a revocable license to enforce the Leases, to collect the Rents, to apply the Rents to the payment of the costs and expenses incurred in connection with operation, maintenance, and repair of the Property and to any indebtedness secured thereby.

2. Revocation of License. Upon the occurrence of an event of default under the Loan Documents ("Event of Default") and at any time thereafter during the continuance thereof, Assignee shall have the right to revoke the license granted to Assignor hereby by giving written notice of such revocation to Assignor. Upon such revocation, Assignor shall promptly deliver to Assignee all Rents then held by Assignor.

3. Collection by Assignee. Upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof, Assignee shall have the right, in addition to the rights granted pursuant to Paragraph 2 hereof, to collect all or any portion of the Rents assigned hereby directly or through a court appointed receiver. Such right may be exercised and shall include the following:

(a) The right to notify the tenant or tenants under the Leases in accordance with the provisions of Paragraph 4 hereof and, with or without taking possession of the Project, to demand that all Rents under such Leases thereafter be paid to Assignee;

(b) The right to enter into possession of the Property, to assume control with respect to and to pay all expenses incurred in connection with the operation, maintenance, or repair of the Property, to enforce all Leases and to collect all Rents due thereunder, to apply all Rents received by Assignee as provided in Paragraph 5 hereof, to amend, modify, extend, renew, and terminate any or all Leases, to execute new Leases and to do all other acts which Assignee shall determine, in its sole discretion, to be necessary or desirable to carry out the purposes of this Assignment; and

(c) The right to specifically enforce the provisions of this Assignment and, if Assignee shall so elect, to obtain the appointment of a receiver pursuant to and in accordance with the provisions of the Deed of Trust.

4. Protection of Tenants. Assignor and Assignee agree that all tenants under the Leases shall be bound by and required to comply with the provisions of this Assignment. In connection therewith, Assignor and Assignee further agree as follows:

(a) If requested by Assignee, Assignor shall: (i) notify each tenant under any Lease now affecting all or any portion of the Property of the existence of this Assignment and the rights and obligations of Assignor and Assignee hereunder; and (ii) provide each tenant with a copy of this Assignment. All Leases hereafter executed with respect to the Property or any portion thereof shall contain a reference to this Assignment;

(b) Upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof, Assignee May, at its option, send any tenant a notice pursuant to Paragraph 3 hereof to the effect that: (i) an Event of Default has occurred and that Assignee has revoked Assignor's license to collect the Rents; (ii) Assignee has elected to exercise its rights under this Assignment; and (iii) such tenant is thereby directed to thereafter make all payments of Rent and to perform all obligations under its Lease to or for the benefit of Assignee or as Assignee shall direct;

(c) Such notice and direction shall remain effective until the first to occur of (i) the receipt by tenant of a subsequent notice from Assignee to the effect that such Event of Default has been cured; (ii) the appointment of a receiver pursuant to Paragraph 3 hereof, in which event such tenant shall thereafter make payments of Rent and perform all obligations under the Leases as may be directed by such receiver; or (iii) the issuance of an order of a court of competent jurisdiction terminating this Assignment or otherwise directing such tenant to pay Rent and perform obligations in a manner inconsistent with said notice;

(d) Each tenant shall be entitled to rely upon any notice from Assignee and shall be protected with respect to any payment of Rent made pursuant to such notice, irrespective of whether a dispute exists between Assignor and Assignee with respect to the existence of an Event of Default or the rights of Assignee hereunder. Assignor hereby agrees to indemnify, defend and hold such tenant harmless for, from and against any and all loss claims, damages or liability arising from or related to any payment of Rent or performance of obligations under any Lease by such tenant made in good faith in reliance on and pursuant to such notice; and

(e) The payment of Rent to Assignee pursuant to any such notice and the performance of obligations under any Lease to or for the benefit of Assignee shall not cause Assignee to assume or be bound by the provisions of such Lease, including but not limited to the duty to return any security deposit to the tenant under such Lease unless and

to the extent such security deposit was paid to Assignee by Assignor. Assignor agrees to indemnify, defend and hold Assignee harmless for, from and against any and all loss, claims, damage or liability arising out of any claim by a tenant with respect thereto.

5. Application of Rents: Security Deposits. All Rents received by Assignee pursuant to this Assignment shall be applied by Assignee, in its sole discretion, to any of the following:

- (a) the costs and expenses of collection, including, without limitation, reasonable attorneys' fees;
- (b) the costs and expenses incurred in connection with the operation, maintenance or repair of the Property.
- (c) the payment of any indebtedness then owing by Assignor to Assignee.

In connection therewith, Assignor further agrees that all Rents received by Assignee from any tenant may be allocated first, if Assignee so elects, to the payment of all current obligations of such tenant under its Lease and not to amounts which may be accrued and unpaid as of the date of revocation of Assignor's license to collect such Rents. Assignee may, but shall have no obligation to, pursue any tenant for the payment of Rent that may be due under its Lease with respect to any period prior to the exercise of Assignee's rights under this Assignment or which may become due thereafter. Assignor agrees that the collection of Rents by Assignee and the application of such Rents by Assignee to the costs, expenses and obligations referred to in this Paragraph 5 shall not cure or waive any default or Event of Default or invalidate any act (including, but not limited to, any sale of the Property now or hereafter securing the Loan) done in response to or as a result of such default or Event of Default or pursuant to any notice of default or notice of sale issued pursuant to any Loan Document.

6. Priority of Assignment; Further Assurance. Assignor hereby represents and warrants that the Assignment of Rents hereby granted is a first priority assignment and that no other assignments of all or any portion of the Rents or the Leases exist or remain outstanding. Assignor agrees to take such action and to execute, deliver and record such documents as may be reasonably necessary to evidence such assignment, to establish the priority thereof and to carry out the intent and purpose hereof. If requested by Assignee, Assignor shall execute a specific assignment of any Lease now or hereafter affecting all or any portion of the Property and shall use its best efforts to cause the tenant or tenants thereunder to execute, deliver and record a Subordination, Non-Disturbance and Adornment Agreement, in form and substance reasonably satisfactory to Assignee.

7. Successors and Assigns. The provisions of this Assignment shall be binding upon Assignor, its legal representatives, successors or assigns and shall be for the benefit of Assignee, its successors and assigns.

8. Remedies Cumulative. The rights granted Assignee under this Assignment or any other Loan Document or now or hereafter allowed it by law or in equity shall be cumulative and may be exercised at any time and from time to time. No failure on the part of Assignee to

exercise, and no delay in exercising, any right shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by Assignee of any right preclude any other or future exercise thereof or the exercise of any other right. To the greatest extent permitted by law, Assignor hereby waives any and all rights to require marshaling of assets by Assignee.

9. Assignee not Responsible for Assignor's Obligations. Nothing contained herein shall operate or be construed to obligate Assignee to perform any of the terms, covenants and conditions contained in any Lease or otherwise to impose any obligation upon Assignee with respect to any Lease including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated. Prior to actual entry into and taking possession of the Property by Assignee, this Assignment shall not operate to place upon Assignee any responsibility for the operation, control, care, management or repair of the Property or any portion thereof, and the execution of this Assignment by Assignor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Assignor, prior to such actual entry and taking of possession.

10. Termination of Assignment. A full and complete release and reconveyance of the Deed of Trust shall operate as a full and complete release of all of Assignee's rights and interest hereunder. Upon the recondition of such release and reconveyance, this Assignment shall thereafter be void and of no further effect.

11. Notices. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing and shall be given pursuant to the Note.

12. Governing Law. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

13. Severability. If any term of this Assignment or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

14. Amendments. This Assignment may not be amended, modified or changed nor shall any waiver of any provision hereof be effective, except by an instrument in writing and signed by the party against whom enforcement of any such amendment, modification, change, or waiver is sought.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed by its partners and by their respective officers hereunto duly authorized as of the date first above written.



"Assignor":

West Coast Realty Capital Inc. a Nevada Corporation by:

*Steve A. Dalby*  
Steve A. Dalby, President and Secretary

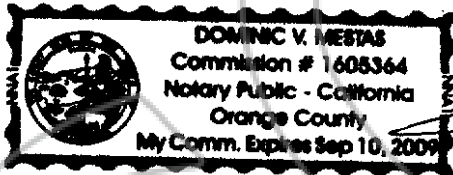
ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
 )ss.  
COUNTY OF Orange )

On Feb. 15<sup>th</sup>, 2006, before me, the undersigned, a Notary Public in and for said County and State, personally appeared STEVE A. Dalby

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

WITNESS my hand and official seal.



*Dominic V. Mestas*  
Notary Public

**EXHIBIT "A"**

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

**PARCEL A:**

LOT 47 AS SHOWN ON THE MAP OF SKYLAND SUBDIVISION NO. 1, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA ON FEBRUARY 27, 1958 IN BOOK 1, PAGE 181, DOCUMENT NO. 12967.

**PARCEL B:**

THE RIGHT OF ACCESS TO THE WATERS OF LAKE TAHOE AND FOR BEACH AND RECREATIONAL PURPOSES OVER LOTS 32 AND 33 AS SHOWN ON THE FILED MAP REFERRED TO HEREIN AS RESERVED IN THE DEED FROM STOCKTON GARDEN HOMES, INC., A CALIFORNIA CORPORATION, TO SKYLAND WATER CO., A NEVADA CORPORATION, RECORDED FEBRUARY 5, 1960 IN BOOK 1 OF OFFICIAL RECORDS AT PAGE 268, DOUGLAS COUNTY, NEVADA.

