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OFFICIAL RECORD
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FIRST CENTENNIAL - RENO
Douglas County - NV
Werner Christen - Recorder
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A. P. No. 1318-15-802-008
Escrow No. 164594-MI

When recorded mail to:
EVERGREEN NOTE SERVICING
295 HOLCOMB AVE #3
RENO, NV 89502



ABSOLUTE ASSIGNMENT OF LESSOR'S
INTEREST IN LEASES AND RENTS

This Absolute Assignment of Lessor's Interest in Leases and Rents (the "Assignment") is entered into on NOVEMBER 14, 2007, between CHAD SMITTKAMP and JEAN MERKELBACH, husband and wife, (herein, "Assignor"), and LORRAINE H. WEIKEL Trustee of the Lorraine H. Weikel Survivor's Trust, November 5, 1991, (herein, "Assignee"), with reference to the following facts:

A. Assignor is the owner of that certain real property situated in the County of Washoe, State of Nevada, more particularly described as follows, (the "Real Property"):

A parcel of land located within a portion of Section 15, Township 13 North, Range 18 East, M.D.B.&M., more particularly described as follows:

Commencing at the Southeast corner of said Section 15; thence along the Section line common to Sections 15 and 22 North 89°54'09" West, 1,513.39 feet to a point on the Northeasterly right-of-way of U.S. Highway 50 as described in the conveyance to the State of Nevada recorded on July 18, 1933, in the office of the Recorder of Douglas County, State of Nevada, in Book T of Deeds, Page 436; thence along said Northeasterly right-of-way North 47°36'00" West, 674.72 feet to the Southwest corner of parcel of land shown as NEVADA ALLIED INDUSTRIES on the Record of Survey for NEVADA ALLIED INDUSTRIES recorded September 25, 1980, in the office of the Recorder of Douglas County, Nevada, in Book 980, on Page 1969 as Document 48927, a round 3/4" iron pipe and plug RLS 3519, the point of beginning; thence continuing along said Northeasterly right-of-way North 47°36'00" West 152.81 feet; thence North 43°32'23" East 70.01 feet, thence North 47°36'25" West, 26.67 feet; thence North 42°24'00" East, 63.25 feet; thence South 47°36'52" East, 31.73 feet; thence

North 42°19'21" East, 55.58 feet; thence South 47°36'00" East, 171.43 feet to a point on the Westerly right-of-way of Elks Point Road; thence along said Westerly right-of-way South 42°24'00" West, 163.84 feet; thence along the arc of a curve to the right having a delta angle of 90°00'00", radius of 25.00 feet and arc curve length of 39.27 to the point of beginning.

PARCEL II:

Those certain Reciprocal Easements as described in Declaration of Reciprocal Easement dated December 18, 1998, recorded December 21, 1998, in Book 1298, Page 5054, as Document No. 457043, of Official Records of Douglas County, State of Nevada.

The above metes and bounds description appeared previously in that certain instrument recorded in the office of the County Recorder of Douglas County, Nevada on August 31, 2007, in Book 807, Page 9486, as Document No. 708586.

B. Assignee has agreed to make a loan to Assignor (the "Loan") in the principal amount of (\$1,000,000.00). It is a condition of the Loan that all of Assignor's right, title and interest in and to all rents, issues, and profits relating to or derived from the Real Property and any business activity conducted thereon be absolutely and unconditionally, and not merely as additional security for the loan, assigned to Assignee as an additional inducement to make the Loan upon the terms and conditions set forth below.

Based upon the foregoing, and in consideration of the Loan, Assignor and Assignee agree as follows:

1. Assignment. For value received, and as a material inducement to Assignee to make the Loan giving rise to the indebtedness described below, Assignor hereby assigns, grants, transfers, and delivers to Assignee all right, title, and interest of Assignor in and to all leases, tenancy, and use agreements (collectively, the "Leases") now or hereafter executed which cover or relate to all or any part of the Real Property and all improvements now or hereafter situated thereon, said real property and improvements hereinafter referred to collectively as the "Premises," together with all rights, remedies, benefits, and advantages to be derived therefrom. This Assignment includes and Assignor hereby assigns to Assignee, all of the rents, option payments, proceeds of the sale of the Premises pursuant to the exercise



of any option by any tenant, income, receipts, revenues, issues, royalties, and profits now due, or which may become due or to which Assignor may now or shall hereafter become entitled, arising or issuing from and out of the Leases or arising from or out of the Premises or any part of the Premises, or interest in the Premises, together with any and all rights which Assignor may have with respect to loss of rents, income, receipts, revenues, issues, royalties, and profits resulting from untenability or unsuitability of the Premises, all of which are hereinafter collectively referred to as the "Rents". This Assignment is expressly made subject to a license reserved and retained by Assignor, which license is limited as provided herein, to collect all of the Rents until such license has been terminated or revoked.

2. Application Of Rents By Assignee. All Rents or any other proceeds of the Leases collected by Assignee pursuant to this Assignment may be applied by Assignee for the purpose of discharging, in such order of priority as Assignee may determine, the following obligations of Assignor to Assignee:

A. Payment of the indebtedness of Assignor to Assignee which indebtedness is evidence by a certain Promissory Note (the "Note"), executed by Assignor in favor of Assignee, and secured by a Deed of Trust executed by Assignor in favor of Assignee, together with all modifications, extensions, renewals and replacements thereof.

B. Performance and discharge by Assignor of each and every obligation, covenant, promise, and agreement set forth in this Assignment, the Note, the Deed of Trust, including but not limited to, obligations of the Assignor to the Assignee for such additional sums, with interest thereon, as may be incurred, paid or advanced by Beneficiary, or as may otherwise be due to the Beneficiary.

Assignor further agrees that all rents, option payments, proceeds from the sale of the Premises pursuant to any option, or any other proceeds of the Leases collected by Assignee may be applied for the purpose of discharging, in such order of priority as Assignee may determine, any and all obligations or indebtedness of Assignor to Assignee, including obligations and indebtedness now existing or indebtedness and obligations hereafter arising during the term of this Assignment.

3. Assignor's License To Collect Rent. Prior to the occurrence of a default under the Deed of Trust which secures the Note, or upon said Note, Assignee grants permission and a



license to Assignor to collect the rent from the premises as it becomes due and payable. On or at any time after default by Assignor in the payment of any indebtedness described above, or after failure by Assignor to observe or perform any obligation, term, covenant, condition, representation, or warranty in the Note, the Deed of Trust, or this Assignment, Assignee may, without notice, terminate the license of Assignor to collect the Rents, and Assignee may, at its option, and in its sole and absolute discretion, without notice or demand and without regard to the adequacy of security for the indebtedness secured by the Deed of Trust (and specifically without regard to the value of the real property that is the subject of the Deed of Trust), with or without bringing any action or proceeding, either in person or by agent, or by the Trustee under the Deed of Trust, or by a receiver to be appointed by a court, and irrespective of the Assignor's possession of the Premises, then or thereafter and subject to the provisions of the Leases, do any one or more of the following: (a) enter on, take possession of, manage, and operate the Premises or any part of the Premises together with all records, documents, books, papers, and accounts of Assignor relating to the Premises; (b) make, control, or modify the Leases on such terms and for such periods of time, and on such conditions as the Assignee may deem fit and proper; (c) enforce or cancel the Leases now in effect or hereafter in effect on the Premises or any part of the Premises; (d) obtain and evict tenants; (e) fix or modify Rents; (f) collect, demand, sue for, attach, levy, recover and receive, compromise and adjust, and execute and deliver receipts and releases for all Rent; (g) institute and settle unlawful detainer actions and summary proceedings and other actions and suits to remove for cause any tenant, subtenant, or occupant of the Premises or any part of the Premises; (h) from or out of the Rents or any other funds of Assignor deposited with Assignee, pay and discharge all taxes, all premiums for required insurance, the cost of repairs and alterations and any other expense or charge in the satisfaction of any obligation of Assignor under the Leases, or that may be advisable for Assignee to pay or expend in order to prevent or cure a default under the Leases, or in order to manage, maintain, and operate the Premises, including, but without limitation, rental commissions, attorneys' fees, and costs of any other services that may be required; (i) otherwise do whatsoever ought to be done in and about the Premises as fully as Assignor could do if personally present. Assignee shall, after payment of all principal charges and expenses, credit the net amount of income that it may receive by virtue of this Assignment and from the Premises to any amounts due Assignee from Assignor as provided above, the manner of the application to be and to remain within



the sole discretion of Assignee. Notwithstanding any other provision of this Assignment, the acceptance by Assignee of this Assignment, with all the rights, powers, privileges, and authority so created, shall not, before exercise or enforcement of such rights, powers, privileges, and authority by Assignee, be deemed or construed to constitute Assignee a mortgagee-in-possession, or obligate Assignee to appear in or defend any action or proceeding relating to the Leases or to the Premises, or to take any action under this Assignment, or to expend any money or incur any expenses or perform or discharge any obligation, duty, or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Assignor by any tenant and not assigned to Assignee; nor shall Assignee be liable in any way for any injury or damage to person or property sustained by any person or persons in or about the Premises.

4. Indemnification. Assignor agrees to indemnify and hold Assignee harmless of and from any and all liability, loss, damage, or expense that it may or might incur under or by reason of this Assignment, or for any action taken by the Assignee under this Assignment, or by reason or in defense of any and all claims and demands whatsoever that may be asserted against Assignee arising out of the Leases, including, but without limitation, any claim by any tenant of credit for any Rent or deposit paid to or received by Assignor, but not delivered to Assignee, and any claims or demands that may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants, or agreements contained in the Leases. Should Assignee incur any such liability, loss, damage, or expense, or any expenses in the defense of any such claims or demands, the amount of such liability, loss, damage, or expense (including reasonable attorneys' fees) with interest thereon at the rate set forth in the Note, shall be payable by Assignor immediately and without demand, and the Assignor's obligation for payment thereof shall be secured by the Deed of Trust.

Assignor releases and relieves leasees, tenants and occupants of the premises from any liability to Assignor by reason of making payments to Assignee pursuant to the provision of this Assignment.

5. Termination of Assignment. On payment in full of all of the indebtedness described above, this Assignment, except for the provisions regarding indemnification, which shall continue in effect, shall become and be void and of no further force or effect; but the affidavit, certificate, or statement



of any officer, general partner, or trustee of Assignee showing any part of the indebtedness to remain unpaid, or the performance or discharge to be incomplete, shall be and constitute conclusive evidence of the validity, effectiveness, and continuing force of this Assignment. Any person may and is authorized to rely on any such affidavit, certificate, or statement.

6. Miscellaneous.

6.1 Notices. Except as otherwise provided herein or by law, all notices required or permitted to be given by law or by the terms of this Assignment shall be in writing and shall be considered given upon (1) personal service of a copy on the party to be served, (2) three (3) business days after proper deposit of a copy of such notice in the United States Mail, by certified or registered mail, postage prepaid, receipt for delivery requested, addressed to the party to be served, or (3) transmission of such notice by telefax transmission during normal business hours. Notices given pursuant to clauses (1) or (2) above shall be given to the respective party at the addresses set forth below. Notices given pursuant to clause (3) above shall be given through the telefax numbers listed beneath the parties' addresses set forth below and shall also be immediately thereafter transmitted by certified mail or personal service as provided above. The addresses and telefax numbers of the parties are as follows:

Assignor:

Name: CHAD SMITTKAMP
and Jean MERKELBACH

Address: PO Box 1370

City, State: ZEPHYR COVE NV

Telephone: 89448

Fax: _____

Assignee:

Name: LORRAINE H. WEIKEL,
Trustee

Address: 5808 Tannerwood Drive

City, State: Reno, Nevada 89511
-9074

Telephone: _____

Fax: _____

Any change in the address or telefax number of any party shall be given by the party having such change to the other parties in the manner provided above. Thereafter, all notices shall be given in accordance with the notice of change of address or telefax number. Notices given before actual receipt of the notice of change of address shall not be invalidated by the change of address.



6.2 Delivery Of Lease Documents. If Assignor has retained any of the executed instruments or indentures evidencing the Leases, then such retention is agreed to be for the convenience only of Assignor, and shall not in any way be deemed to defeat or diminish any right of Assignee under this Assignment. Copies of any Lease shall be delivered to Assignee within five (5) days after notice to Assignor.

6.3 Successors and Assigns. Except as otherwise provided herein, this Assignment shall be binding upon and shall inure to the benefit and detriment of the parties hereto and their respective heirs, personal representatives, successors and assigns.

6.4 Assignee's Right Under Assignment Permissive And Not Obligatory. The exercise by Assignee of any of the rights, remedies, powers, or privileges provided for in this Assignment, or the taking of any action by Assignee, whether complete or incomplete with respect thereto, is permissive and not obligatory, and the exercise or nonexercise of such rights, remedies, powers, or privileges shall not preclude, delay, or prejudice any other rights, remedies, powers, or privileges provided for in this Assignment or in the Note or Deed of Trust, or otherwise provided at law or in equity; and the failure to take action at any time shall not constitute a waiver of any such right, remedy, power or privilege. The right of Assignee to collect any indebtedness and to enforce any other security for the indebtedness may be exercised by Assignee either before, simultaneously with, or after, any action taken under this Assignment.

6.5 Choice Of Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Nevada.

6.6 Severability. If any one or more of the provisions contained in this Assignment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assignment, but this Assignment shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in this Assignment.

6.7 Time Is Of The Essence. Time is of the essence under this Assignment and any amendment, modification, or revision of it.



6.8 Assignment To Be Characterized As Absolute. It is intended by Assignor and Assignee that, notwithstanding the characterization of any interest or right created by the Deed of Trust, or any other instrument executed by Assignor for the purposes of discharging or securing any indebtedness secured by the Deed of Trust, this Assignment shall not create a security interest that requires possession of the Premises for its perfection, but that this Assignment shall be absolute.

6.9 Attorneys' Fees. If either party brings an action or proceeding to enforce, protest, or establish any right or remedy under the terms of this Assignment, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs.


6.10 Notification Of Assignment to Tenant. At a time during the term of this Assignment, Assignor agrees to execute and deliver any written notices or communications to tenants under the Leases notifying tenants of the existence of this Assignment in such form as Assignee shall determine, in Assignee's discretion.

6.11 Subordination. This Assignment is subject and subordinate to that certain Deed of Trust executed by Assignor in favor of Assignee, securing, among other things, a Note in the principal amount of \$970,000.00 and which Deed of Trust is recorded concurrently herewith.

6.12 Reconveyance. If not sooner reconveyed, released or terminated, this Absolute Assignment of Lessor's Interest in Leases and Rents shall be deemed reconveyed, released and terminated concurrent with the recordation of the reconveyance of the Deed of Trust referred to in 6.11, above.

ASSIGNOR:

ASSIGNEE:


Chad Smittkamp

Lorraine H. Weikel, Trustee


Jean Merkelbach



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ASSIGNOR:

ASSIGNEE:

Chad Smittkamp

Lorraine H. Weikel

Lorraine H. Weikel, Trustee

Jean Merkelbach



STATE OF)
) ss
COUNTY OF)

This instrument was acknowledged before me on _____, 2007, by CHAD SMITTKAMP and JEAN MERKELBACH.

Notary Public

STATE OF NEVADA)
) ss
COUNTY OF WASHOE)

This instrument was acknowledged before me on Nov. 15, 2007, by LORRAINE H. WEIKEL Trustee of the Lorraine H. Weikel Survivor's Trust, November 5, 1991.

Chris Coombs
Notary Public

