

After recording return to:

Wooden McLaughlin LLP
One Indiana Square, Suite 1800
Indianapolis, Indiana 46204
Attention: Michael A. Valinetz

12839066
8/29/2018 1:51:00 PM \$73.00
Book - 10707 Pg - 5977-6008
ADAM GARDINER
Recorder, Salt Lake County, UT
US TITLE
BY: eCASH, DEPUTY - EF 32 P.

SL92419TOR

Space Above for County Recorder's Use

Tax Parcel I.D. No.: 27-04-177-036

SUBORDINATION, ASSIGNMENT AND SECURITY AGREEMENT

**SUBORDINATION, ASSIGNMENT
AND SECURITY AGREEMENT**

This SUBORDINATION, ASSIGNMENT AND SECURITY AGREEMENT (this "**Assignment**") is made and entered into as of August 21st, 2018 by and among (i) KNIGHTSHAYES LAND HOLDINGS LLC, having its principal place of business at 1866 Orchard Hollow Lane, Holladay, Utah 84124 ("**Borrower**"), (ii) DWIGHT BRIDGE FUND LLC, a Delaware limited liability company, having a mailing address of c/o Dwight Capital LLC, 9400 4th Street North, Suite 103, Saint Petersburg, Florida 33702 (together with its successors, assigns, participants, designees and/or nominees, collectively hereinafter referred to as "**Lender**"), and (iii) ALL SEASONS HEALTH SERVICES COMPANY, a Utah corporation, having its principal place of business at 1866 Orchard Hollow Lane, Holladay, Utah 84124 ("**Property Operator**").

RECITALS:

A. Lender has agreed to make a loan to Borrower in the original principal amount of Four Million Sixteen Thousand and 00/100 Dollars (\$4,016,000.00) (the "**Mortgage Loan**"), as evidenced by, among other things, that certain Promissory Note dated as of the date hereof, executed by Borrower and made payable to Lender in the amount of the Mortgage Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Note**").

B. The Mortgage Loan and the Note are secured by, among other things, a certain Real Estate Deed of Trust, Security Agreement and Assignment of Leases and Fixture Filing dated as of the date hereof (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Security Instrument**").

C. Borrower is the owner that certain real estate in Salt Lake County, Utah (the "**Real Estate**" and sometimes hereinafter referred to as the "**Property**") on which there is located a licensed assisted living facility with fifty (50) beds commonly known as Beehive Homes of West Jordan, as it may now or at any time hereafter exist, together with other general or specialized care facilities, if any (including but not limited to any Alzheimer's or dementia care unit or subacute care unit), now or hereafter operated on the Property (the "**Facility**"). A legal description of the Land (as defined below) applicable to the Property is attached hereto as Exhibit "A".

D. Property Operator is the tenant of the Property pursuant to that certain Lease Agreement dated April 1, 2015, between Borrower and Property Operator (as may be hereinafter amended and modified from time to time, the "**Operator Lease**") and is the holder of, or applicant for, the Licenses, as set forth on Exhibit "C", required to operate the Property as the Facility.

AGREEMENTS:

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower, Lender and Property Operator agree as follows:

1. Definitions; Parties.

(a) The following terms, when used in this Assignment, have the following meanings:

"**Accounts**" has the meaning given such term in the UCC (as defined below), and includes, without limitation, the Restricted Account and any rights of Property Operator arising from the operation of the Property to payment for goods sold or leased or for services rendered, not evidenced by an Instrument (as such term is defined in the UCC), including, without limitation, (i) all accounts arising from the operation of the Property, (ii) all moneys and accounts, if any, held by Lender pursuant to this Assignment or any other Loan Document, (iii) all rights to payment from Medicare or Medicaid programs or similar state or federal programs, boards, bureaus or agencies, and rights to payment from patients, residents, private insurers, and others arising from the operation of the Property, including rights to payment pursuant to Reimbursement Contracts, (iv) receivables arising out of the use of a credit or charge card or information contained on or for use with the card, (v) any and all "health-care insurance receivables" (as defined in the UCC), (vi) supporting obligations, letter-of-credit rights and letters of credit given by any Person with respect to any of the foregoing, and (vii) all books and records in whatever media (paper, electronic or otherwise) recorded or stored, with respect to any or all of the foregoing and all equipment and general intangibles necessary or beneficial to retain, access and/or process the information contained in those books and records. Accounts shall include the Proceeds thereof.

"**Bank**" shall mean Bank of American Fork, a division of People's Intermountain Bank.

"**CERCLA**" means the Federal Comprehensive Environmental Response, Compensation and Liability Act.

"**Contracts**" means all license agreements, operating contracts, and all management, service, employment, supply and maintenance contracts and agreements, and any other agreements, licenses or contracts of any nature whatsoever now or hereafter obtained or entered into by Property Operator with respect to the occupancy, use, operation, maintenance and administration of the Property and/or the UCC Collateral, including, without limitation, (i) any and all contracts, authorizations, agreements and/or consents executed by, or on behalf of any patient or other Person seeking services from Property Operator pursuant to which Property Operator provides or furnishes assisted living services at the Facility, including the consent to treatment and assignment of payment of benefits by third party and (ii) any and all contracts between Property Operator and any resident of the Facility giving the resident certain rights of occupancy in the Facility and providing for certain services to such resident.

"**DAISA Account**" shall mean that certain account established and operating pursuant to the terms and provisions of the DAISA Account Agreement.

"**DAISA Account Agreement**" shall mean that certain Government Healthcare Receivables Deposit Account Agreement, dated of even date herewith, by and among Property Operator, Lender and Bank.

"Effective Capacity" means the actual number of beds utilized at the Facility from time to time, which shall be at no time fewer than 50.

"Environmental Indemnity Agreement" shall mean that certain Environmental Certification and Indemnity Agreement by and between Borrower, Jeffrey M. Merchant and Munir M. Merchant in favor of Lender, as of or about even date herewith.

"Environmental Law(s)" shall have the meaning ascribed in the Environmental Indemnity Agreement.

"Event of Default" shall have the meaning assigned to such term in the Security Instrument.

"Facility Operating Agreement" means, individually and collectively, any of the Operator Lease, any management agreement or any other agreement setting forth the responsibilities for the operation, management, maintenance or administration of the Property as the Facility.

"Facility Operating Agreement Rent" means any rent, fees or other sums due or to become due under the Facility Operating Agreement.

"Goods" means, in connection with the management or operation of the Property or located on the Property, the following: all inventory; furniture; furnishings; machinery, equipment, engines, boilers, incinerators, and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air or light; antennas, cable, wiring, and conduits used in connection with radio, television, security, fire prevention, or fire detection, or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains, and curtain rods; mirrors, cabinets, paneling, rugs, and floor and wall coverings; fences, trees and plants; swimming pools; exercise equipment; supplies; tools; books and records (whether in written or electronic form); websites, URLs, blogs and social network pages; computer equipment (hardware and software); all kitchen or restaurant supplies and facilities; dining room supplies and facilities; medical supplies and facilities; leasehold improvements or related furniture and equipment; including all present and future parts, additions, accessories, replacements, attachments, accessions, replacement parts and substitutions of the foregoing, and the proceeds thereof (cash and non-cash, including insurance proceeds); and any other equipment, supplies or furniture owned by Property Operator and leased to any third party service provider or any other operator or manager of the Property; and other tangible personal property which is used now or in the future in connection with the management or operation of the Property or is located on the Property.

"Hazardous Substances" shall have the meaning ascribed in the Environmental Indemnity Agreement.

"**Land**" means the land described in Exhibit "A".

"**Leases**" means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property, any residency, occupancy, admission and care agreements pertaining to residents of the Property, including, without limitation, the resident agreements, and the Seniors Housing Facility Lease, and all modifications, extensions or renewals thereof.

"**License(s)**" means any operating licenses, certificates of occupancy (and/or applicable equivalent), health department licenses, food service licenses, certificates of need, business licenses, permits, registrations, certificates, authorizations, approvals, and similar documents required by applicable laws and regulations for the operation of the Property as the Facility, including renewals, replacements and additions to any of the foregoing.

"**Medicaid Participant**" means a Person that has entered into a contract to be a participating provider in the Medicaid Program.

"**Medicaid Program**" means the Medicaid assisted living waiver program administered by the State.

"**Mortgage Loan**" has the meaning as defined in Recital A above.

"**Operating Covenants**" means all terms, conditions, provisions, requirements and affirmative and negative covenants of the Loan Documents relating to the use and operation of the Property, including all terms, conditions, provisions, requirements and affirmative and negative covenants set forth in the Loan Documents applicable to the organization, existence and good standing of a Property Operator necessary for the use and operation of the Property.

"**Personalty**" means all Goods, accounts, choses of action, chattel paper, documents, general intangibles (including software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Property now or in the future, and all other intangible property and rights relating to the operation of, or used in connection with, the Property, including all governmental permits relating to any activities on the Property.

"**Property**" has the meaning set forth hereinabove.

"**Property Operator**" has the meaning as defined in the Preamble above.

"**Reimbursement Contracts**" means all third party reimbursement contracts for the Facility which are now or hereafter in effect with respect to residents or patients qualifying for coverage under the same, including Medicare, Medicaid and private insurance agreements, and any successor program or other similar reimbursement program and/or private insurance agreements.

"Rents" means all rents (whether from residential or non-residential space), revenues and other income from the Land or the improvements applicable to the Property, including rent paid under any Facility Operating Agreement, subsidy payments received from any sources, including payments under any rental subsidy agreement, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Property, whether now due, past due, or to become due, and tenant security deposits, entrance fees (if any), application fees, processing fees, community fees and any other amounts or fees forfeited by any resident or tenant, together with and including all proceeds from any private insurance for residents to cover rental charges and charges for services at or in connection with the Property (other than Third Party Payments) due for the rents or services of residents at the Property.

"Restricted Account" means the account established by the Property Operator as the Property's primary operating account, into which Property Operator shall deposit, or cause to be deposited, all revenue generated by the Property, as more fully set forth herein and operated pursuant to the terms and provisions of the Restricted Account Agreement.

"Restricted Account Agreement" shall mean that certain Control Agreement for Deposit Account, dated of even date herewith, by and among Property Operator, Lender and Bank.

"Seniors Housing Facility Lease" means the Operator Lease.

"Third Party Payments" means all payments and the rights to receive such payments from Medicaid or other federal, state or local programs, boards, bureaus or agencies.

"UCC Collateral" means, collectively, the Facility Operating Agreement, any of the Accounts, Contracts, Leases, Personalty, Rents and Third Party Payments which, under applicable law, may be subject to a security interest under the UCC, whether acquired now or in the future and all products and cash and non-cash proceeds thereof.

(b) Any reference to Property Operator in this Assignment shall refer to Property Operator or other entity responsible for the management and operation of the Property under a Facility Operating Agreement and made a party hereto. Any assignment of Leases, Rents, Licenses, Personalty, Contracts, Third Party Payments and Accounts made by a Property Operator under this Assignment shall be to the extent such Property Operator has an interest in such Leases, Rents, Licenses, Personalty, Contracts, Third Party Payments and Accounts.

2. Uniform Commercial Code Security Agreement.

(a) As Property Operator will materially benefit from the Loan to Borrower, as additional security for the repayment of the indebtedness evidenced by the Note and to secure to Lender, the performance of the covenants and agreements of Property Operator contained in this Assignment, Property Operator hereby pledges, assigns, and grants to Lender a continuing security interest in the UCC Collateral. This Assignment constitutes a security agreement and a financing statement under the UCC. Property Operator hereby authorizes Lender to file financing statements, continuation statements and financing statement amendments in such form as Lender may reasonably require to perfect or continue the perfection of this security interest without the signature of Property Operator. From and after the occurrence of an Event of

Default, Lender shall have the remedies of a secured party under the UCC, in addition to all remedies provided by this Assignment existing under applicable law. Lender may exercise any or all of its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability or validity of Lender's other remedies. For purposes of the UCC, the debtor is Property Operator and the secured party is Lender. The name and address of the debtor and secured party are set forth in the introductory paragraph of this Assignment, which are the addresses from which information on the security interest may be obtained.

(b) Property Operator represents and warrants that: (1) Property Operator maintains its chief executive office at the location set forth in the introductory paragraph of this Assignment, and Property Operator will notify Lender in writing of any change in its chief executive office within five (5) days of such change; (2) Property Operator's state of incorporation, organization, or formation, if applicable, is as set forth on Page 1 of this Assignment; (3) Property Operator's exact legal name is as set forth on Page 1 of this Assignment; (4) Property Operator's organizational identification number, if applicable, is as set forth after Property Operator's signature below; (5) Property Operator is the owner of the UCC Collateral subject to no liens, charges or encumbrances other than the lien hereof and other liens or encumbrances approved by Lender in writing; (6) the UCC Collateral will not be removed from the Property without the consent of Lender, which consent will not be unreasonably withheld, conditioned, or delayed; and (7) no financing statement covering any of the UCC Collateral or any proceeds thereof is on file in any public office except pursuant hereto.

(c) All property of every kind acquired by Property Operator after the date of this Assignment which by the terms of this Assignment shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Property Operator and without further conveyance or assignment become subject to the lien and security interest created by this Assignment. Notwithstanding the foregoing, Property Operator shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further security agreements, financing statements, assignments and assurances as Lender shall reasonably require for accomplishing the purposes of this Assignment and to comply with the re-recording requirements of the UCC.

3. Assignment of Leases and Rents; Appointment of Receiver; Lender in Possession.

(a) As part of the consideration for Lender's approval of the Facility Operating Agreement and providing the Mortgage Loan, Property Operator absolutely and unconditionally assigns and transfers to Lender any interest it has in all Leases and Rents. It is the intention of Property Operator to establish present, absolute and irrevocable transfers and assignments to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Property Operator. Property Operator and Lender intend these assignments of Leases and Rents to be effective immediately and to constitute absolute present assignments, and not assignments for additional security only. However, if these present, absolute and unconditional assignments of Leases and Rents are not enforceable by their terms under the laws of the State, then it is the intention of Property Operator that in this circumstance this Assignment create and perfect a lien on Leases and Rents in favor of Lender to secure the obligations of Property Operator under this Assignment and Borrower's obligations under the Loan Documents, which lien shall be effective as of the date of this Assignment.

(b) Until the occurrence of an Event of Default, but subject to the limitations set forth in this Assignment, Property Operator shall have a revocable license to exercise all rights, power and authority granted to Property Operator under the Leases (including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease, other than a Seniors Housing Facility Lease, subject to the limitations set forth in this Assignment and the other Loan Documents), and to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender, and, if applicable, to apply all Rents to pay the Facility Operating Agreement Rent, and to pay the current costs and expenses of managing, operating and maintaining the Property, including utilities and taxes, insurance premiums and other charges (to the extent not paid from escrowed funds held by Lender for such purpose(s)), tenant improvements and other capital expenditures. So long as no Event of Default has occurred, the Rents remaining after application pursuant to the preceding sentence may be retained by Property Operator free and clear of, and released from, Lender's rights with respect to Rents under this Assignment.

(c) From and after the occurrence of an Event of Default, without the necessity of Lender entering upon and taking and maintaining control of the Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the State, the revocable license granted to Property Operator pursuant to Section 3(b) shall automatically terminate, and Lender shall immediately have all rights, powers and authority granted to Property Operator under any Lease (including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease) and, without notice, Lender shall be entitled to all Rents as they become due and payable, including Rents then due and unpaid. From and after the occurrence of an Event of Default, Property Operator authorizes Lender to collect, sue for and compromise Rents and directs each resident or tenant of the Property to pay all Rents to, or as directed by, Lender, and Property Operator shall, upon Property Operator's receipt of any Rents from any sources, pay the total amount of such receipts to Lender. Although the foregoing rights of Lender are self-effecting, at any time from and after the occurrence of an Event of Default, Lender may make demand for all Rents, and Lender may give, and Property Operator hereby irrevocably authorizes Lender to give, notice to all residents or tenants of the Property instructing them to pay all Rents to Lender. No resident or tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no resident or tenant shall be obligated to pay to Property Operator any amounts that are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each resident or tenant personally, by mail or by delivering such demand to each rental unit.

(d) From and after the occurrence of an Event of Default, to the extent permitted by law, Lender is further authorized to give notice to all Third Party Payment payors at Lender's option, instructing them to pay all Third Party Payments which would otherwise be paid to Property Operator to Lender.

(e) From and after the occurrence of an Event of Default, Lender may, regardless of the adequacy of Lender's security or the solvency of Property Operator, and even in the absence of waste, enter upon, take and maintain full control of the Property, and may exclude Property Operator and its agents and employees therefrom, in order to perform all acts that Lender, in its reasonable discretion, determines to be necessary or desirable for the operation and maintenance of the Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Property and the execution or termination of Contracts

providing for goods or services at or otherwise in connection with the operation, use or maintenance of the Property, paying fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants, obtaining (or force-placing) the insurance required by the Loan Documents, for the purposes of enforcing the assignments of Leases and Rents, protecting the Property or the security of this Assignment and the Mortgage Loan, or for such other purposes as Lender in its discretion may deem necessary or desirable.

(f) Notwithstanding any other right provided Lender under this Assignment or any other Loan Document, if an Event of Default has occurred, and regardless of the adequacy of Lender's security or Property Operator's solvency, and without the necessity of giving prior notice (oral or written) to Property Operator, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Property to take any or all of the actions set forth in Section 3(e). If Lender elects to seek the appointment of a receiver for the Property at any time after an Event of Default has occurred, Property Operator, by its execution of this Assignment, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte, if permitted by applicable law. Property Operator consents to shortened time consideration of a motion to appoint a receiver. Lender or the receiver, as applicable, shall be entitled to receive a reasonable fee for managing the Property and such fee shall become an additional part of the Mortgage Loan. Immediately upon appointment of a receiver or Lender's entry upon and taking possession and control of the Property, possession of the Property and all documents, records (including records on electronic or magnetic media), accounts, surveys, plans and specifications relating to the Property, and all security deposits and prepaid Rents, shall be surrendered to Lender or the receiver, as applicable. If Lender takes possession and control of the Property, Lender may exclude Property Operator and its representatives from the Property.

(g) The acceptance by Lender of the assignments of the Leases and Rents pursuant to this Section 3 shall not at any time or in any event obligate Lender to take any action under this Assignment or to expend any money or to incur any expense. Lender shall not be liable in any way for any injury or damage to person or property sustained by any Person in, on or about the Property. Prior to Lender's actual entry upon and taking possession and control of the Land and improvements applicable to the Property, Lender shall not be:

- (1) obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease);
- (2) obligated to appear in or defend any action or proceeding relating to any Lease or the Property; or
- (3) responsible for the operation, control, care, management or repair of the Property or any portion of the Property.

The execution of this Assignment shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Property Operator, prior to such actual entry and taking possession and control by Lender of the Land and improvements applicable to the Property.

(h) Lender shall be liable to account only to Borrower and Property Operator and only for Rents actually received by Lender. Lender shall not be liable to Borrower or Property Operator, anyone claiming under or through Borrower, Property Operator or anyone having an interest in the Property by reason of any act or omission of Lender under this Section 3, and Borrower and Property Operator hereby release and discharge Lender from any such liability to the fullest extent permitted by law. If the Rents are not sufficient to meet the costs of taking control of and managing the Property and collecting the Rents, any funds expended by Lender for such purposes shall be added to, and become a part of, the principal balance of the Mortgage Loan (and secured by this Assignment and the Security Instrument), be immediately due and payable, and bear interest at the Default Rate from the date of disbursement until fully paid. Any entering upon and taking control of the Property by Lender or the receiver, and any application of Rents as provided in this Assignment, shall not cure or waive any Event of Default or invalidate or waive any other right or remedy of Lender under applicable law or provided for in this Assignment or any Loan Document.

(i) Borrower and Property Operator acknowledge and agree that the exercise by Lender of any of the rights conferred in this Assignment shall not be construed to make Lender a mortgagee-in-possession of the Property.

4. Assignment of Contracts; Contracts Affecting the Property.

(a) Property Operator has entered into Contracts for the provision of goods or services at or otherwise in connection with the operation, use or maintenance of the Property, and shall provide Lender with updated Exhibit "B" information as and when available.

(b) As consideration for the material financial benefit to be derived by Property Operator from Lender's approval of the Facility Operating Agreement and providing the Mortgage Loan, to the extent permitted by applicable law, Property Operator pledges, grants a security interest in and assigns to Lender all of Property Operator's right, title and interest, if any, in, to and under the Contracts, including Property Operator's right, power and authority to modify the terms of, extend or terminate any such Contracts. To the extent permitted by applicable law, Property Operator and Lender intend this assignment of the Contracts to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. If this present, absolute and unconditional assignment of the Contracts is not enforceable by its terms under the laws of the State, then it is the intention of Property Operator that in this circumstance this Assignment create and perfect a lien on the Contracts in favor of Lender to secure the obligations of Property Operator under this Assignment and Borrower's obligations under the Loan Documents, which lien shall be effective as of the date of this Assignment. The acceptance by Lender of this assignment of the Contracts shall not at any time or in any event obligate Lender to take any action under this Assignment or to expend any money or to incur any expenses.

(c) Until Lender gives notice to Property Operator of Lender's exercise of its rights under this Section 4, Property Operator shall have all rights, power and authority granted to Property Operator under any Contracts (except as otherwise limited by this Section 4 or any other provision of this Assignment), including the right, power and authority to modify the terms of any Contracts or extend or terminate any Contracts. Upon the occurrence of an Event of

Default and at the option of Lender, the permission given to Property Operator pursuant to the preceding sentence to exercise all rights, power and authority under Contracts shall terminate.

(d) Upon Lender's delivery of notice to Property Operator of an Event of Default, Lender shall immediately have all rights, powers and authority granted to Property Operator under any Contract, including the right, power and authority to modify the terms of, extend or terminate any such Contract.

5. Assignment of Licenses.

As consideration for the material financial benefit to be derived by Property Operator from Lender's approval of the Facility Operating Agreement, to the extent permissible under applicable law and regulation, Property Operator pledges, grants a security interest in and assigns to Lender to secure Property Operator's obligations under this Assignment and Borrower's obligations under the Loan Documents all of Property Operator's right, title and interest, if any, in and to all Licenses and any other agreements or permits of any nature whatsoever now or hereafter issued, granted, acquired, obtained or entered into by Property Operator with respect to the occupancy, use, operation, maintenance and administration of the Property as the Facility.

6. Subordination to Security Instrument Lien.

The Facility Operating Agreement is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of this Assignment, the Security Instrument and the other Loan Documents, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances heretofore made or which may hereafter be made pursuant to the Security Instrument (including but not limited to all sums advanced for the purposes of (a) protecting or further securing the lien of the Security Instrument, curing defaults by Borrower under the Loan Documents or for any other purposes expressly permitted by the Security Instrument, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property).

7. [This paragraph is intentionally left blank]

8. Property Operator Representations and Warranties.

Property Operator represents and warrants to Lender as follows as of the date of this Assignment:

(a) with respect to the Facility Operating Agreement: (i) Property Operator has unconditionally accepted delivery of the Property pursuant to the terms of the Facility Operating Agreement and shall operate the Property as the Facility; (ii) except as otherwise approved by Lender in writing the Facility Operating Agreement does not provide for free Facility Operating Agreement Rent, partial Facility Operating Agreement Rent, Facility Operating Agreement Rent concessions of any kind, the advance payment of Facility Operating Agreement Rent other than as set forth in Section 9(1), or Facility Operating Agreement Rent abatement or offsetting of Facility Operating Agreement Rent; (iii) no Facility Operating Agreement Rent has been paid for more than thirty (30) days in advance; (iv) any required payments of Facility Operating Agreement Rent have been made prior to the date hereof; (v) as of the date hereof, all conditions

and duties of an inducement nature under the Facility Operating Agreement to be performed to date by Borrower have been satisfied, including but not limited to payment to Property Operator of any Borrower contributions for improvements, completion by Borrower of the construction of any improvements to be constructed by Borrower, and payment to Property Operator of any consulting fees; (vi) Property Operator has no rights or options to purchase or first refusal or right of first offer under the Facility Operating Agreement or with respect to the Property or any part thereof; (vii) Property Operator has not assigned or sublet and is now the sole owner of the interest or leasehold estate created by the Facility Operating Agreement; and (viii) as of the date of this Assignment, Property Operator is not, and to the best of Property Operator's knowledge Borrower is not, in default under any of the terms, conditions, provisions or agreements of the Facility Operating Agreement and Property Operator has no offsets, claims or defenses against Borrower with respect to the Facility Operating Agreement;

(b) Property Operator has not executed any prior assignment of Leases and Rents;

(c) Neither the Facility nor the Property Operator (and any of its affiliates) is in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or any response costs or remedial obligations under any Environmental Law(s), and this representation and warranty would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Property or the Property Operator. Property Operator has not obtained and is not required to obtain, any permits, licenses or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures, or equipment forming a part of the Property by reason of any Environmental Law(s) (except such permits, licenses and authorizations which have been obtained or for which applications have currently been submitted). Property Operator further represents and warrants that except for hazardous substances in nonreportable quantities and except for medical wastes which are disposed of in accordance with Environmental Law(s), no petroleum products, oil, or hazardous substances, or solid wastes have been disposed of or otherwise released on or are otherwise located on the Property. The use of the Property as previously operated and hereafter intended to be operated by Property Operator will not result in the location on or disposal or other release of any petroleum products, oil, or hazardous substances or solid wastes on or to the Property, other than in nonreportable quantities or the disposal of medical wastes in the ordinary course of business. Property Operator hereby agrees to remedy promptly any violation of Environmental Law(s) with respect to the Property and to pay any fines, charges, fees, expenses, damages, losses, liabilities, and response costs arising from or pertaining to the application of any such Environmental Law(s) to Property Operator or the Property. Property Operator agrees to permit Lender to have access to the Property at all reasonable times in order to conduct any tests which Lender (from time to time) deems reasonably necessary to ensure that Property Operator and the Property are in compliance with all Environmental Law(s);

(d) Property Operator has not filed and is not subject to any filing for bankruptcy or reorganization under any applicable bankruptcy or insolvency laws;

(e) The Facility is duly licensed under the applicable laws of the State of Utah (the "State") and is currently operated, and will continue to be operated, as a fifty (50) bed assisted living facility in accordance with the operational and licensure requirements of the State (all

required Licenses for operation of the Facility is/are identified on Exhibit "C" attached hereto and made a part hereof). Property Operator shall be the lawful owner of the Licenses identified on Exhibit "C", which (a) upon issuance, shall remain in full force and effect, (b) constitute all of the permits, licenses and certificates required for the use, operation and occupancy of the Facility, (c) shall not be pledged as collateral for any other loan or Indebtedness, (d) shall be held free from any restriction or any encumbrance which would materially adversely affect the use or operation of the Property and (e) shall not be provisional, probationary or restricted in any way. Property Operator, as well as the operation of the Facility, shall at all times remain in compliance with the applicable provisions of nursing home and/or living facility laws, rules, regulations and published interpretations to which the Facility is subject. No waivers of any laws, rules, regulations, or requirements (including, but not limited to, minimum foot requirements per bed) are required or shall be required for the Facility to operate at the foregoing licensed bed capacity. All Reimbursement Contracts are and shall remain in full force and effect with respect to the Facility, and Property Operator is in good standing and in compliance in all material respects with all of the requirements of the respective agencies governing such applicable Facility licenses, program certifications, and Reimbursement Contracts. Tenant is and shall remain current in the payment of all so-called provider specific taxes or other assessments with respect to such Reimbursement Contracts. Property Operator is not currently operating under a consent order or decree, or any other agreement or decree mandated by the courts or a governmental entity that restricts or otherwise affects the operation of the Property;

(f) the terms of the Licenses set forth on Exhibit "C" are true and correct in all respects;

(g) Property Operator shall operate the Property as the type of facility described on Exhibit "C" and pursuant to certificate(s) of occupancy (and/or applicable equivalent) and to its Licenses. The certificate(s) of occupancy (and/or applicable equivalent) and Licenses shall remain current and there shall be no violations thereof. The operations at the Property shall comply with the terms and conditions of the certificates of occupancy (and/or applicable equivalent) and the Licenses. If no regulatory or licensing requirements currently apply to the Property, as set forth on Exhibit "C", Property Operator is in all respects legally authorized to operate and/or manage the Property as the Facility under the applicable laws of the State without a License or operating certificate;

(h) foreclosure of the Property by Lender or any other transfer of the Property as a result of an Event of Default by Borrower under the Security Instrument will not result in a revocation, suspension or limitation of the Licenses;

(i) to the best of Property Operator's actual knowledge, there currently exist no grounds for the non-issuance, revocation, suspension or limitation of the certificate(s) of occupancy (and/or applicable equivalent) or any of the Licenses for the Property;

(j) the Contracts are assignable and no previous assignment of Property Operator's interest in the Contracts has been made, and the Contracts are in full force and effect in accordance with their respective terms and there are no defaults thereunder;

(k) Property Operator is a limited liability company, duly organized, validly existing and in good standing under the laws of the state of its formation as set forth in the preamble of this Assignment, has the power to own its properties and to carry on its businesses as it is now being conducted and contemplated to be conducted in connection with the Property as the Facility, and is duly qualified to do business and is in good standing in every jurisdiction in which the character of the properties owned by it or in which the transaction of its businesses makes its qualification necessary;

(l) Property Operator has full power and authority to incur the obligations provided for herein and in the Facility Operating Agreement;

(m) Each of the Facility Operating Agreement and this Assignment constitutes a valid and legally binding obligation of Property Operator, enforceable in accordance with its respective terms (subject, however, to general principles of equity, bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance and other similar laws now or hereafter in effect relating to or affecting creditors rights generally) and does not violate, conflict with, or constitute any default under any law, government regulation, decree, judgment, or any other agreement or instrument binding upon Property Operator;

(n) No action or investigation is pending or, to the best of Property Operator's knowledge, threatened before or by any court or administrative agency which might result in any material adverse change in the financial condition, operations or prospects of Property Operator or any lower reimbursement rate under the Reimbursement Contracts. Property Operator is not in violation of any agreement, the violation of which might reasonably be expected to have a material adverse effect on Property Operator's business or assets, and Property Operator is not in violation of any order, judgment, or decree of any court, or any statute or governmental regulation to which it is subject;

(o) All financial statements heretofore or hereafter provided by Property Operator are and will be true and complete in all material respects as of their respective dates and fairly and will fairly present the respective financial conditions of Property Operator, and there are no material liabilities, direct or indirect, fixed or contingent, as of the respective dates of such statements which are not reflected therein or in the notes thereto or in a written certificate delivered with such statements. The financial statements of Property Operator have been and will be prepared in accordance with GAAP. There has been no material adverse change in the financial condition, operations, or prospects of Property Operator since the dates of such statements except as fully disclosed in writing with the delivery of such statements. All financial statements of the operations of the Facility heretofore or hereafter provided to Lender are and will be true and complete in all material respects as of their respective dates;

(p) Property Operator has not granted to any third party the right to reduce the number of licensed beds in the Facility or to apply for approval to transfer the right to any and all of the licensed Facility beds to any other location; and

(q) Property Operator has filed all federal, state, and local tax returns which it is required to file and has paid, or made adequate provision for the payment of, all taxes which

have or may become due pursuant to such returns or to assessments received by Property Operator, including, without limitation, provider taxes.

Each of the representations and warranties of and/or relating to Property Operator set forth in the other Loan Documents, if any, are hereby re-made by Property Operator and incorporated herein by reference as if fully set forth herein.

9. Property Operator Covenants.

Property Operator covenants with Lender that during the term of this Assignment:

(a) Property Operator shall not transfer the responsibility for the operation and management of the Property or the Licenses, including permitting a Prohibited Transfer, or change its name, change its jurisdiction or organization, or cause or permit a conversion of Property Operator from one type of entity into another type of entity without Lender's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed, provided that any such change does not cloud or invalidate any of the Licenses;

(b) Property Operator will cooperate with Lender, including attendance at any meetings requested by Lender (after reasonable prior notice), furnishing financial statements of Property Operator and operating statements for the Property, including those set forth in Section 10 below, and Property Operator will permit persons designated by Lender to inspect any and all of the Property and books and records of Property Operator relating to the Facility and to discuss the affairs of Property Operator and the Facility with officers of Property Operator as designated by Lender, all at such times as Lender shall reasonably request, provided, however, that such inspections may not unreasonably interfere with the operation of the Facility and shall not violate any laws governing the privacy of patient/resident information, including HIPAA;

(c) Property Operator acknowledges that it has received from Borrower and reviewed a fully executed copy of the Security Instrument and the Environmental Indemnity Agreement and covenants therein and agrees to comply with all Operating Covenants, including arranging for the escrow of taxes and insurance with Lender and providing insurance coverage in accordance with Lender's requirements if such escrows and provision of insurance coverage is required of Property Operator under the Facility Operating Agreement. In the event Property Operator fails to so use and operate the Property according to the Operating Covenants, Lender shall have the right to enforce the Operating Covenants directly against Property Operator upon Borrower's failure to do so, in accordance with the provisions of the Security Instrument and this Assignment. The parties agree that Property Operator's failure to comply with the Operating Covenants and its other obligations under this Assignment shall constitute an Event of Default hereunder;

(d) if (1) Property Operator fails to perform any of its obligations under this Assignment or causes an event of default under the Facility Operating Agreement, or (2) any action or proceeding is commenced which purports to affect the Property, Lender's security, rights or interests under the Loan Documents, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Environmental Law(s), fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender

may, at its option, make such appearances, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Property Operator and to protect the Property, Lender's security, rights or interest, including (A) payment of fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants, (B) entry upon the Property to make repairs or secure the Property, (C) procurement of the insurance required by the Security Instrument and (D) payment of any amounts required under this Assignment or the Facility Operating Agreement which Property Operator has failed to pay. Any amounts disbursed by Lender under this Section 9, or under any other provision of this Assignment that treats such disbursement as being made under this Section 9, due to Property Operator's failure to perform its obligations, shall be immediately due and payable to Lender from Property Operator. The foregoing provisions shall not require Lender to incur any expense or take any action;

(e) if, by reason of its exercise of any right or remedy under the Facility Operating Agreement, Property Operator acquires by right of subrogation or otherwise a lien on the Property which (but for this subsection) would be senior to the lien of the Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Security Instrument and this Assignment;

(f) until Property Operator receives notice (or otherwise acquires actual knowledge) of an Event of Default, Property Operator shall be entitled to retain for its own account any payments or fees made pursuant to the Facility Operating Agreement, subject to the terms of this Assignment, provided that if Property Operator is an Affiliated Property Operator, notice to Borrower of an Event of Default shall be deemed to be notice to Property Operator for purposes of this provision;

(g) after Property Operator or Borrower receives notice (or otherwise acquires actual knowledge) of an Event of Default, Property Operator will not accept or retain any payments or fees made pursuant to the Facility Operating Agreement without Lender's prior written consent;

(h) if, after Property Operator or Borrower receives notice (or otherwise acquires actual knowledge) of an Event of Default, Property Operator receives any payments or fees pursuant to the Facility Operating Agreement other than from Lender, or if Property Operator receives any other payment or distribution of any kind from Borrower or from any other person or entity other than from Lender in connection with the Facility Operating Agreement which Property Operator is not permitted by this Assignment to retain for its own account, such payment or other distribution will be received and held in trust for Lender and unless Lender otherwise notifies Property Operator, will be promptly remitted in readily available funds to Lender, properly endorsed to Lender, to be applied to amounts due under the Loan Documents in such order and in such manner as Lender shall determine. Property Operator hereby irrevocably designates, makes, constitutes and appoints Lender (and all persons or entities designated by Lender) as Property Operator's true and lawful attorney in fact with power to endorse the name of Property Operator upon any checks representing payments referred to in this subsection;

(i) during the term of this Assignment, Property Operator will not commence, or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to Borrower, without Lender's prior written consent;

(j) Property Operator will deliver to Lender at the address indicated below and at the same time as such notice is given to Borrower, any notice of default under the Facility Operating Agreement;

(k) Property Operator will not seek to terminate, or otherwise commence any action in exercise of its remedies under, the Facility Operating Agreement by reason of any default of Borrower without prior written notice to Lender and the lapse of such time as was offered to Borrower under the Facility Operating Agreement in which to remedy the default, and the lapse of thirty (30) days after the expiration of such time as Borrower was permitted to cure such default; provided, however, that with respect to any default of Borrower under the Facility Operating Agreement which cannot be remedied within such time, if Lender commences to cure such default within such time and thereafter diligently proceeds with such efforts and pursues the same to completion, Lender shall have such time as is reasonably necessary to complete curing such default. Notwithstanding the foregoing, in the event either Lender or Borrower do not cure or commence curing such default within the time provided to Borrower under the Facility Operating Agreement and the nature of the default threatens Property Operator's ability to conduct its daily business or threatens to materially or adversely damage its property located on the Property, Property Operator shall be permitted to exercise its rights under the Facility Operating Agreement;

(l) Property Operator will not pay Facility Operating Agreement Rent more than thirty (30) days in advance of the date on which the same is due or to become due under the Facility Operating Agreement;

(m) Property Operator will certify promptly in writing to Lender in connection with any proposed assignment of the Mortgage Loan, whether or not any default on the part of Borrower then exists under the Facility Operating Agreement and will execute such estoppel certificates and subordination agreements as Lender shall reasonably require;

(n) Property Operator shall not create, incur, assume or suffer to exist any lien on the Property or any part of the Property or pledge any interest in the Property or any part of the Property, including the Leases, Rents and Contracts;

(o) Property Operator shall not without the prior written consent of Lender (1) terminate, amend or modify any of the terms or provisions of the Facility Operating Agreement, (2) assign its rights under the Facility Operating Agreement, or (3) transfer the Facility Operating Agreement. Promptly upon Property Operator's receipt, Property Operator shall give Lender written notice of any notice or information that Property Operator receives which indicates that any party (A) is in default under the terms of the Facility Operating Agreement, (B) is amending, modifying or terminating the Facility Operating Agreement or (C) is otherwise discontinuing its operation and management of the Property;

(p) Property Operator will comply in all respects with its obligations under the Facility Operating Agreement;

(q) Property Operator will not use the Property for the storage, treatment, manufacturing, generation, disposal or release into the environment of any petroleum product or

substance which is classified as a hazardous substance, pollutant or contaminant under CERCLA or other applicable federal, state and local laws and regulations except for the safe and lawful use and storage of quantities of pre-packaged supplies, cleaning materials, petroleum products, and medical products and devices customarily used in the operation and maintenance of comparable skilled nursing and/or assisted living facilities;

(r) Property Operator shall not look to Lender, any mortgagee in possession, or successor in title to the Property for accountability for any security deposit or other deposit held by Borrower;

(s) Property Operator shall fully perform all of its obligations under the Contracts, and Property Operator shall not materially amend, modify, assign, sell, pledge, transfer, mortgage or otherwise encumber its interests in any of the Contracts so long as this Assignment is in effect, or consent to any transfer, assignment or other disposition thereof without the written approval of Lender, which approval will not be unreasonably withheld, conditioned, or delayed. Each Contract entered into by Property Operator subsequent to the date hereof, the average annual consideration of which, directly or indirectly, is at least \$50,000, shall provide: (1) that it shall be terminable for cause; and (2) that it shall be terminable, at Lender's option, upon the occurrence of an Event of Default;

(t) If no regulatory or licensing requirements currently apply to the Property and Property Operator is in all respects legally authorized to operate the Property as the Facility without a License as of the date hereof as set forth on Exhibit "C", and if any licensing or similar regulatory requirement is imposed upon or otherwise becomes applicable to the Property, Property Operator shall obtain all Licenses required to lawfully operate the Property as the Facility or shall ensure such licenses are obtained, update Exhibit "C" information so that it is true and accurate in all respect and deliver said updated Exhibit "C" information to Lender, notify Lender of such licensing requirements, and shall maintain such Licenses in full force and effect, or shall ensure such Licenses are maintained in full force and effect;

(u) Intentionally Deleted;

(v) Property Operator covenants and agrees that it will not perform any acts and has not executed, and shall not execute any instrument which would prevent Lender from exercising its rights under this Assignment;

(w) Intentionally Deleted; and

(x) Intentionally Deleted.

Each of the covenants and agreements of and/or relating to Property Operator set forth in the other Loan Documents are hereby re-made by Property Operator and incorporated herein by reference as if fully set forth herein.

10. Financial and Other Information.

For so long as the Loan remains outstanding, Property Operator will provide to Lender, in addition to the financial statements and information required under the Facility Operating

Agreement, the following financial statements and information on a continuing basis during the term of the Loan:

(a) within ninety (90) days following the end of each fiscal year of Borrower financial statements for Property Operator and the Property as of and for the end of such fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and [audited, if required by Lender, by an independent certified public accountant acceptable to Lender which shall provide an unqualified opinion regarding such financial statements] and shall include all details of the operations, including a profit and loss statement, balance sheet, reconciliation of surplus, and rent roll for the Project;

(b) within thirty (30) days from filing and in no event later than May 1 of each calendar year a copy of the federal income tax return for Property Operator for the calendar year then ended. Lender agrees that such tax return(s) are considered confidential by Property Operator and are not to be copied or shared with any party other than any financial institution that has acquired, or has expressed an interest in acquiring, a participation interest in the Loan, employees and professional advisors who need access to the information for purposes related to the Loan or as otherwise required by applicable law;

(c) no later than thirty (30) days after, and as of, the end of each calendar quarter, to the extent not already reported in any other required financial item, a summary report containing the aggregate occupancy of the Property for the most recently completed calendar quarter;

(d) Intentionally Deleted;

(e) immediately upon receipt, any and all notices (regardless of form) from any and all licensing and/or certifying agencies that any of the Licenses is threatened, or is being downgraded, revoked, or suspended or that any such action is pending or being considered; and

(f) no later than ninety (90) days after each of Property Operator's fiscal years and more frequently, if requested by Lender, an aged accounts receivable report of the Facility in sufficient detail to show amounts due from each class of patient-mix (i.e., private, Medicare, Medicaid and V.A.) by the account age classifications of 30 days, 60 days, 90 days, 120 days, and over 120 days.

Lender reserves the right to require that the annual financial statements of Property Operator be audited and prepared by a nationally recognized accounting firm or independent certified public accountant acceptable to Lender in accordance with generally accepted accounting principles, at Property Operator's sole cost and expense, if (i) an Event of Default occurs, or (ii) if Lender has reasonable grounds to believe that the unaudited financial statements do not accurately represent the financial condition of Property Operator.

Lender reserves the right to require such other financial information of Property Operator and the Property at such other times as Lender shall reasonably deem necessary, and Property Operator agrees promptly to provide such information to Lender. All financial statements must be in the form and detail as the Lender shall from time to time reasonably request.

11. Cash Management.

(a) Property Operator represents, warrants and covenants that, so long as the Mortgage Loan remains outstanding, (i) Property Operator shall immediately deposit all revenue derived from the Property (other than Third Party Payments) and received or collected by Property Operator, pursuant to the Facility Operating Agreement or otherwise, into the Restricted Account; (ii) Property Operator shall immediately deposit all Third Party Payments into the DAISA Account; (iii) Property Operator shall immediately deposit all funds otherwise payable to Borrower by Property Operator pursuant to the Facility Operating Agreement (or otherwise in connection with the Property) into the Restricted Account; (iv) there shall be no other accounts maintained by Property Operator, Borrower or any other Person other than the Restricted Account and the DAISA Account into which revenues from the ownership and operation of the Property are directly deposited; (v) none of Property Operator, Borrower nor any other Person shall open any other such account with respect to the direct deposit of income in connection with the Property; and (vi) (A) if required by Lender upon the occurrence of an Event of Default, Property Operator shall immediately direct each resident of the Facility, by written notice in the form of a letter approved by Lender (each a "**Resident Direction Letter**"), to remit all payments required under the resident's residential agreement to the Restricted Account and/or DAISA Account, and (y) each tenant of the Property, by written notice in the form of a letter approved by Lender (each a "**Tenant Direction Letter**"), to remit all payments required under the tenant's Lease to the Restricted Account. During the continuance of an Event of Default, Property Operator shall provide a Resident Direction Letter to each new resident of the Property as each new resident's agreement is executed. If Property Operator fails to provide any such notice (and without prejudice to Lender's rights with respect to such default), or any other Event of Default has occurred and is continuing, Lender shall have the right to direct residents and tenants of the Property to remit all revenues directly into the Restricted Account and or DAISA Account by issuing a Resident Direction Letter or Tenant Direction Letter, as applicable, or other notice as Lender deems appropriate. Property Operator hereby directs all residents and tenants under any Leases to follow any such instructions given by Lender, notwithstanding any contrary instructions from Property Operator and without any obligation or right on such person or entity's part to determine the actual existence of an Event of Default or other event claimed by Lender as the basis for Lender's right to send such notice. Upon the occurrence of an Event of Default, if required by Lender, Property Operator shall immediately cause all automatic/direct debits from accounts of residents at the Facility to be deposited directly into the Restricted Account or DAISA Account as directed by Lender. Until deposited into the Restricted Account or DAISA Account, any Rents and other revenues from the Property held by Property Operator shall be deemed to be collateral for the repayment of the Mortgage Loan and shall be held in trust by it for the benefit, and as the property, of Lender pursuant to this Assignment and shall not be commingled with any other funds or property of Property Operator. Property Operator warrants and covenants that it shall not rescind, withdraw or change any notices or instructions required to be sent by it pursuant to this Section 11 without Lender's prior written consent. If, notwithstanding the provisions of this Section 11, Property Operator during an Event of Default receives any Rents or other income from the Property, then (X) such amounts shall be deemed to be collateral for the Loan and shall be held in trust for the benefit, and as the property, of Lender, (Y) such amounts shall not be commingled with any other funds or property of Property Operator, and (Z) Property Operator shall deposit such amounts in the Restricted Account or

DAISA Account (for Third Party Payments), as applicable, within one (1) Business Day of receipt.

(b) Property Operator shall maintain the Restricted Account and the DAISA Account for the term of the Loan, which Restricted Account and DAISA Account shall be subject to the terms hereof and the terms and provisions of the Restricted Account Agreement and DAISA Account Agreement, respectively. The Restricted Account and DAISA Account shall have a title evidencing the foregoing in a manner reasonably acceptable to Lender. Property Operator hereby grants to Lender a first-priority security interest in the Restricted Account and all deposits at any time contained therein and the proceeds thereof and will take all actions necessary to maintain in favor of Lender a perfected first priority security interest in the Restricted Account. Property Operator hereby authorizes Lender to file UCC Financing Statements and continuations thereof to perfect Lender's security interest in the Restricted Account and all deposits at any time contained therein and the proceeds thereof. All costs and expenses for establishing and maintaining the Restricted Account (or any successor thereto) shall be paid by Property Operator. All monies now or hereafter deposited into the Restricted Account shall be deemed additional security for the Mortgage Loan. Property Operator shall not alter or modify either the Restricted Account or the Restricted Account Agreement, in each case, without the prior written consent of Lender. Property Operator shall provide Lender online access to bank and other financial statements relating to the Restricted Account and DAISA Account (including, without limitation, a listing of the receipts being collected therein). Property Operator shall not further pledge, assign or grant any security interest in the Restricted Account or the DAISA Account or the monies deposited therein or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC Financing Statements, except those naming Lender as the secured party for the Restricted Account, to be filed with respect thereto. The Restricted Account and the DAISA Account shall not be commingled with other monies held by Property Operator or Bank. Property Operator constitutes and appoints Lender its true and lawful attorney-in-fact with full power of substitution to complete or undertake any action required of Property Operator under this Section 11 in the name of Property Operator in the event Property Operator fails to do the same. Such power of attorney shall be deemed to be a power coupled with an interest and cannot be revoked.

12. Events of Default; Remedies.

(a) The term "Event of Default" as used in this Assignment shall have the meaning assigned to such term in the Security Instrument. Borrower and Property Operator hereby acknowledge that any default by Borrower or Property Operator under this Assignment or the Facility Operating Agreement which continues beyond any applicable notice and cure periods shall constitute an Event of Default under this Assignment and the Security Instrument.

(b) Upon receipt by Property Operator of written notice from Lender that an Event of Default has occurred under the Loan Documents, Lender shall have the right to exercise all rights as owner of the Property under the Facility Operating Agreement, and Property Operator shall pay to Lender directly all Rent and other sums due under the Facility Operating Agreement. Lender shall be entitled to mandate the use of a lockbox bank account or other depository account, to be maintained under the total control and supervision of Lender, for all income of the Property, including but not limited to Rent, service charges, insurance payments and Third Party

Payments. In order to induce Lender to lend funds under the Loan Documents and approve the Facility Operating Agreement, Borrower and Property Operator hereby agree that at the option of Lender upon the occurrence of an Event of Default, Property Operator shall continue to provide all necessary services required under any applicable licensing or regulatory requirements. Property Operator agrees to fully cooperate with Lender and any receiver as may be appointed by a court, in performing these services until such time as Lender has arranged for a replacement provider of the necessary services, and in arranging an orderly transition of operating and management responsibilities to the receiver or a replacement provider of the necessary services. Borrower and Property Operator agree to cooperate with Lender in arranging an orderly transfer to a replacement Property Operator of all Licenses and governmental approvals necessary or reasonably required to operate the Property as the Facility, and to execute promptly all applications, assignments, consents and documents requested by Lender to facilitate such transition.

(c) After the occurrence of an Event of Default, Lender shall have the right any time thereafter to terminate the Operator Lease without cause and without liability by giving written notice to Property Operator of its election to do so. Lender's notice shall specify the date of termination, which shall not be less than twenty (20) days after the date of such notice, except such lesser notice as Lender deems to be appropriate in the event of an emergency or any risk of impairment of Lender's collateral. Such termination right shall (1) supersede any limitation on termination rights contained in the Operator Lease, (2) serve as consideration for the material benefit derived by Property Operator from Lender's approval of the Operator Lease and the making of the Mortgage Loan, and (3) become effective pursuant to Lender's right after an Event of Default to exercise all rights of Borrower under the Operator Lease.

(d) On the effective date of termination of the Facility Operating Agreement (whether pursuant to Lender's rights under clause (c) above with respect to the Operator Lease or otherwise), Property Operator shall turn over to Lender all books and records relating to the Property and the residents and tenants (copies of which may be retained by Property Operator, at Property Operator's expense), together with such authorizations and letters of direction addressed to residents, tenants, suppliers, employees, banks and other parties as Lender may reasonably require. A final accounting of unpaid fees (if any) due to Property Operator under the Facility Operating Agreement shall be made within sixty (60) days after the effective date of termination, but Lender shall not have any liability or obligation to Property Operator for unpaid fees or other amounts payable under the Facility Operating Agreement which accrue before Lender acquires title to the Property, or before Lender becomes a mortgagee in possession.

(e) Upon an Event of Default, Property Operator will promptly furnish to Lender evidence of deposits and withdrawals from any account held or controlled by Property Operator relating to the Property.

(f) From and after the occurrence of an Event of Default, Lender shall have the remedies of a secured party under the Uniform Commercial Code ("UCC"), in addition to all remedies provided by this Assignment or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies.

(g) In addition to Lender's rights under Section 12(b) above, from and after the occurrence of an Event of Default, Lender or its designee may (in Lender's sole discretion) terminate Property Operator's authority to collect Accounts and notify the residents and account debtors that the Accounts have been assigned to Lender and, either in its own name or that of Property Operator, or both, demand, collect (including, without limitation, through the Restricted Account or any other lockbox arrangement prescribed by Lender), receive, receipt for, sue for or give acquittance for any or all amounts due or to become due in respect of the Accounts, and may also, in its discretion, file any claim, institute any proceeding or take any other action that Lender may deem necessary or appropriate to protect and realize upon the security interest of Lender in the Accounts. All of Lender's collection expenses shall be charged to Borrower's account and added to the Mortgage Loan. If Lender is collecting the Accounts as above provided, Lender shall have the right to receive, endorse, assign and deliver in Lender's name or Property Operator's name any and all checks, drafts and other instruments for the payment of money relating to the Accounts, and Property Operator hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. If Lender is collecting the Accounts directly as provided above, Property Operator hereby constitutes Lender or Lender's designee as Property Operator's attorney-in-fact with power with respect to the Accounts to: (1) endorse Property Operator's name upon all notes, acceptances, checks, drafts, money orders or other evidences of payment that may come into Lender's possession; (2) notify the U.S. Post Office to change the address for delivery of mail addressed to Property Operator for the Property to such address as Lender may designate; and (3) receive, open and dispose of all such mail addressed to Property Operator.

(h) From and after the occurrence of an Event of Default, Lender may, without demand and without advertisement or notice, at any time or times, sell and deliver any or all Personalty held by or for it at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as Lender, in its sole discretion, deems advisable. Subject to the provisions of applicable law, Lender may postpone or cause the postponement of the sale of all or any portion of the Personalty by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale has been postponed or Lender may further postpone such sale by announcement made at such time and place. Without in any way limiting the foregoing, Lender shall, following any Event of Default, have the right, in addition to all other rights provided herein or by law, to enter without legal process upon the Property (provided that such entry be done lawfully) for the purpose of taking possession of the Personalty, and the right to maintain such possession on the Property or to remove the Personalty or any part thereof to such other places as Lender may desire. Whether or not Lender exercises its right to take possession of the Personalty, Property Operator shall, upon Lender's demand, promptly assemble the Personalty and make it available to Lender at the Property.

13. Intentionally Deleted.

14. Intentionally Deleted.

15. No Assumption of Obligations.

Borrower and Property Operator, by executing this Assignment, agree that Lender does not assume any obligations or duties of Borrower or Property Operator concerning the Facility Operating Agreement.

16. Power of Attorney.

Borrower and Property Operator hereby irrevocably constitute and appoint Lender as Borrower's and Property Operator's attorney-in-fact to demand, receive and enforce their rights with respect to the provisions set forth in this Assignment, to give appropriate receipts, releases and satisfactions for and on Borrower's and Property Operator's behalf and to do any and all acts in Borrower's or Property Operator's names or in the name of Lender with the same force and effect as Borrower or Property Operator could do if this Assignment had not been made. The foregoing appointment shall be deemed to be coupled with an interest and irrevocable.

17. Consideration.

As consideration for the material financial benefit to be derived by Property Operator and Borrower as a result of Lender's approval of the Facility Operating Agreement and providing the Mortgage Loan to Borrower, Property Operator and Borrower acknowledge receipt of good and valuable consideration for Property Operator's and Borrower's entry into this Assignment.

18. Modifications to Loan Documents.

Any amendments heretofore or hereafter made to any of the Loan Documents, other than this Assignment, shall not require the consent of Property Operator.

19. Lender Requests.

Within ten (10) days of written request of Lender, Property Operator will promptly furnish to Lender copies of all Leases, Contracts, Licenses, books, records, monthly reports, statements of account, budgets, third party payment documentation, including reimbursement agreements, surveys, statements of deficiencies and plans of correction, and cost reports related to any payments or the right to receive payments from federal, state or local programs, boards, bureaus or agencies, and other items which Property Operator is required to maintain or otherwise maintains under the Facility Operating Agreement or which Property Operator maintains for its own purposes with respect to the Property.

20. Notice.

All notices or other written communications hereunder shall be made in accordance with the Security Instrument to the addresses noted above (or to such other addresses as may be specified in writing by any party hereto to the other parties hereto).

21. Intentionally Deleted.

22. Duplicate Originals; Counterparts.

This Assignment may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Assignment may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Assignment. The failure of any party hereto to execute this Assignment, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

23. No Oral Change.

This Assignment, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

24. Number and Gender/Successors and Assigns.

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons referred to may require. Without limiting the effect of specific references in any provision of this Assignment, the term "**Property Operator**" shall be deemed to refer to each and every Person comprising an Property Operator from time to time, as the sense of a particular provision may require, and to include the heirs, executors, administrators, legal representatives, successors and assigns of Property Operator, all of whom shall be bound by the provisions of this Assignment, provided that no obligation of Property Operator may be assigned except with the written consent of Lender. Each reference herein to Lender shall be deemed to include its successors and assigns. This Assignment shall inure to the benefit of Lender and its respective successors and assigns forever.

25. Rights Cumulative.

The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies which Lender has under the Note, the Security Instrument or the other Loan Documents or would otherwise have at law or in equity.

26. Inapplicable Provisions.

If any term, condition or covenant of this Assignment shall be held to be invalid, illegal or unenforceable in any respect, this Assignment shall be construed without such provision.

27. Governing Law.

(a) This Assignment shall be governed, construed, applied and enforced in accordance with the laws of the State of Utah, notwithstanding that Utah's conflicts of law rules might otherwise require the substantive rules of law of another jurisdiction to apply, and of the United States of America.

(b) Property Operator and Borrower agree that any controversy arising under or in relation to this Assignment shall be litigated in the jurisdiction and as set forth in the Security Instrument.

28. Miscellaneous.

(a) Wherever pursuant to this Assignment (i) Lender exercises any right given to it approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the reasonable determination of Lender, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Assignment it is provided that Property Operator and/or Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether retained firms, the reimbursements for the expenses of in-house staff or otherwise.

29. Entire Agreement; Amendments and Waivers.

This Assignment contains the complete and entire understanding of the parties as to its subject matter. No amendment to this Assignment will be valid unless it is made in writing and executed by the parties to this Assignment. No specific waiver or forbearance for any breach of any of the terms of this Assignment shall be considered as a general waiver of that or any other term of this Assignment.

30. Joint and Several Liability.

If Property Operator consists of more than one person or party, the obligations and liabilities of each such person or party hereunder shall be joint and several.

31. Relationship of Parties.

Nothing contained in this Assignment shall constitute Lender as a joint venturer, partner or agent of Borrower or Property Operator, or render Lender liable for any debts, obligations, acts, omissions or representations of Borrower or Property Operator except as provided herein.

[Remainder of Page Intentionally Blank;
Signatures Appear on Following Pages]

IN WITNESS WHEREOF, Borrower, Lender, and Operator have executed this Assignment as of the day and year first written above.

BORROWER:

KNIGHTSHAYES LAND HOLDINGS LLC,
a Utah limited liability company

By: *Jeffrey M. Merchant*
Jeffrey M. Merchant, Manager

STATE OF UTAH)
) SS:
COUNTY OF SALT LAKE)

Before me, a Notary Public in and for said County and State, personally appeared Jeffrey M. Merchant, the Manager of Knightshayes Land Holdings LLC, a Utah limited liability company, who, after having been duly sworn, acknowledged the execution of the foregoing Subordination, Assignment and Security Agreement for and on behalf of such limited liability company.

Witness my hand and Notarial Seal this 24 day of August, 2018,
Torri Matich
Printed: (*Torri Matich*) Notary Public

My Commission Expires:
July 30, 2021

My County of Residence:
Salt Lake

[Signatures continue on following page]



TENANT:

ALL SEASONS HEALTH SERVICES COMPANY,
a Utah corporation

By: Jeffrey M. Merchant
Jeffrey M. Merchant, President

STATE OF UTAH)
) SS:
COUNTY OF SALT LAKE)

Before me, a Notary Public in and for said County and State, personally appeared Jeffrey M. Merchant, the President of All Seasons Health Services Company, a Utah corporation, who, after having been duly sworn, acknowledged the execution of the foregoing Subordination, Assignment and Security Agreement for and on behalf of said corporation.

WITNESS, my hand and Notarial Seal this 24 day of August, 2018.

Torri Matich
Torri Matich) Notary Public

My Commission Expires:

July 30, 2021

My County of Residence:

Salt Lake

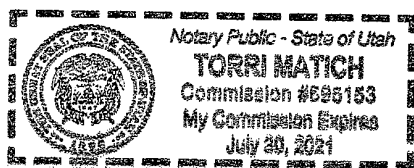


EXHIBIT "A"
TO
SUBORDINATION, ASSIGNMENT AND SECURITY AGREEMENT

Legal Description

The real estate referenced in the foregoing Subordination, Assignment and Security Agreement as part of the "Premises" is located in Salt Lake County, Utah and is more particularly described as follows:

Lot 305, JORDAN VIEW ESTATES NO. 3, according to the official plat thereof on file and of record in the SALT LAKE County Recorder's Office.

Less and excepting the following: Beginning at the Southeast corner of Lot 305, Jordan View Estates No. 3 Subdivision as recorded in the Salt Lake County Recorder's Office; and running thence South 89°55'24" West 7.00 feet along the South line of said Lot 305; thence North 0°00'54" East 145.00 feet to the North line of said Lot 305; thence North 89°54'24" East 7.00 feet along the North line to the Northeast corner of said Lot 305; thence South 0°00'54" West 145.00 feet along the East line of said Lot 305 to the point of beginning.

Lot 306, JORDAN VIEW ESTATES NO. 3, according to the official plat thereof on file and of record in the SALT LAKE County Recorder's Office.

Less and excepting the following: Beginning at the Southeast corner of Lot 306, Jordan View Estates No. 3 Subdivision, according to the official plat thereof recorded in the Salt Lake County Recorder's Office; and running thence South 89°55'14" West 7.00 feet along the South line of said Lot 306; thence North 0°00'54" East 145.49 feet to the North line of said Lot 306; thence North 89°54'24" East 7.00 feet along the North line to the Northeast corner of said Lot 306; thence South 0°00'54" West 145.49 feet along the East line of said Lot 306 to the point of beginning.

EXHIBIT "B"
TO
SUBORDINATION, ASSIGNMENT
AND SECURITY AGREEMENT

Contracts
(List all Contracts currently encumbering the Property)

<u>Vendor Name</u>	<u>Contract Term</u>
Apple Financial Services	September 13, 2016 – September 13, 2018
Marlin Equipment Finance	July 21, 2017 – July 21, 2020

EXHIBIT "C"
TO
SUBORDINATION, ASSIGNMENT
AND SECURITY AGREEMENT

Licenses

Senior Housing Facility Type	<i>Assisted Living</i>
Utah Department of Health – License for Assisted Living ~ Type I License No. 2018-ALI-UT207194	<i>Beehive Homes of West Jordan #1</i> Holder: Knightshayes Land Holdings, LLC Issuer: Utah Department of Health Effective Date: May 1, 2018 Expiration Date: April 30, 2020 License renewal frequency: Biannual Period to submit renewal application prior to License expiration:
Utah Department of Health – License for Assisted Living ~ Type I License No. 2018-ALI-UT207195	<i>Beehive Homes of West Jordan #2</i> Holder: Knightshayes Land Holdings, LLC Issuer: Utah Department of Health Effective Date: June 1, 2018 Expiration Date: May 31, 2020 License renewal frequency: Biannual Period to submit renewal application prior to License expiration:
Utah Department of Health – License for Assisted Living ~ Type I License No. 2018-ALII-UT000266	<i>Beehive Homes of West Jordan #3</i> Holder: Knightshayes Land Holdings, LLC Issuer: Utah Department of Health Effective Date: July 1, 2018 Expiration Date: June 30, 2020 License renewal frequency: Biannual Period to submit renewal application prior to License expiration: