

Recording Requested By  
And When Recorded Mail To:

Stern, Neubauer, Greenwald & Pauly  
A Professional Corporation  
1299 Ocean Avenue, Tenth Floor  
Santa Monica, California 90401  
Attn: Dennis L. Greenwald, Esq.

MTC 30002

### MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (this "Memorandum") is made this 6th day of December, 1996 by and between ASSISTED LIVING CONCEPTS, INC., a Nevada corporation ("Seller"), and LTC PROPERTIES, INC., a Maryland corporation ("Buyer").

1. Seller hereby agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of that certain improved real property located in the City of Klamath Falls, County of Klamath, State of Oregon, more particularly described on Exhibit "A" attached hereto and incorporated herein (the "Property").

2. The specific terms and conditions of the purchase and sale of the Property are set forth in that certain Agreement of Purchase and Sale and Joint Escrow Instructions ("Purchase Agreement") of even date herewith. All of the terms and conditions of said Purchase Agreement are incorporated herein by this reference.

3. This Memorandum of Agreement may be executed in one or more separate counterparts, each of which, once they are executed, shall be deemed to be an original. Such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first above written.

SELLER:

ASSISTED LIVING CONCEPTS, INC.,  
a Nevada corporation

By: \_\_\_\_\_

Stephen Gordon,  
Chief Administrative Officer

BUYER:

LTC PROPERTIES, INC.,  
a Maryland corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

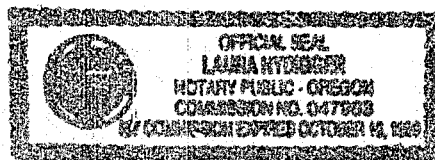


## ACKNOWLEDGMENT

STATE OF Oregon )  
 )  
 COUNTY OF Multnomah ) SS.

On December 4, 1996 before me, Laura Nydigger  
 Notary Public, personally appeared Stephen Gordon personally known to  
 me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s)  
 is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the  
 same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
 instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the  
 instrument.

WITNESS my hand and official seal.



Laura Nydigger  
 NOTARY PUBLIC  
 State of Oregon

STATE OF )  
 )  
 COUNTY OF ) SS.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
 NOTARY PUBLIC  
 State of \_\_\_\_\_

66489.1  
 Klamath Falls Facility

STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of Amerititle the 6th day  
 of December A.D., 1996 at 1:29 o'clock P.M., and duly recorded in Vol. M96  
 of Deeds on Page 38163

FEE \$35.00

Bernetha G. Letsch, County Clerk  
 By Bethann Ross