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AFTER RECORDING RETURN TO:
Boivin, Uerlings & Dilaconi, P.C.
Attn: James R. Uerlings
803 Main Street, Suite 201
Klamath Falls, OR 97601

Vol_M01_Page_27242

AGREEMENT FOR RECIPROCAL ACCESS EASEMENT

This Agreement for Reciprocal Access Easement (the "Agreement") is made as of this <u>B</u> day of May, 2001, by and between Merle West Medical Center, Inc., 2865 Daggett Avenue, Klamath Falls, Oregon ("MWMC"), Crystal Terrace Retirement Community, LLC, an Oregon limited liability company ("CTRC"), CT Acres, LLC, an Oregon limited liability company ("CT Acres"), Plum Ridge Care Community, LLC, an Oregon limited liability company ("PRCC"), and Klamath Falls Intercommunity Hospital Authority, a hospital authority formed pursuant to ORS 441 (the "Authority"). The true and actual consideration paid is other than money.

BACKGROUND

MWMC and Crystal Terrace of Oregon, Inc. ("CTO") are selling to CTRC substantially all the assets used in the operation of Crystal Terrace Retirement Community ("Crystal Terrace"), including the retirement cottages used in connection with Crystal Terrace, all of which is legally described on the attached Exhibit A (the "Crystal Terrace Property"). MWMC and CTO are also selling to CT Acres five acres of additional property adjacent to Crystal Terrace, which is legally described in the attached Exhibit B (the "CT Acres Property").

In connection with the sale of the Crystal Terrace Property to CTRC and the Additional Property to CT Acres, MWMC has retained ownership of approximately twelve acres of property adjacent to the Crystal Terrace, as legally described on the attached <u>Exhibit C</u> (the "Extra MWMC Property").

The Authority owns certain real property described on the attached Exhibit D (the "Authority Property"). Plum Ridge Care Center, a skilled nursing facility ("Plum Ridge"), sits on a portion of the Authority Property. MWMC has leased Plum Ridge from the Authority. MWMC is now selling to PRCC certain personal property assets used in the operation of Plum Ridge, and in connection with the sale, is subleasing to PRCC the Plum Ridge Property.

MWMC also owns Merle West Medical Center and related improvements (including a new medical office building), all of which sits on certain real property adjacent to or near the Plum Ridge Property, as legally described on the attached Exhibit E (the "Medical Center Property"). MWMC is also constructing certain improvements related to its new medical office building on certain of the Authority Property.

There currently exists a private paved road called Bryant Williams Drive, as diagramed on the attached Exhibit F (the "Drive") that borders or serves the Crystal Terrace Property, the CT Acres Property, the Extra MWMC Property, the Authority Property and the Medical Center Property. MWMC, CTRC, CT Acres and the Authority wish to obtain and grant reciprocal easements for vehicular access and pedestrian walkways over and across the Drive in order to access the Crystal Terrace Property, the CT Acres Property, the Extra MWMC Property, the Authority Property and the Medical Center Property. MWMC, CTRC, CT Acres and the Authority are each willing to grant the desired easements on the terms and conditions described in this Agreement. PRCC wishes to acknowledge the rights of MWMC, CTRC, CT Acres and the Authority as described herein. Therefore, the parties agree as follows.

AGREEMENT FOR RECIPROCAL ACCESS AGREEMENT

April 30, 2001

AGREEMENT

1. Mutual Grant of Easement.

- grant to CTRC a nonexclusive easement for pedestrian and vehicular ingress and egress to the Crystal Terrace Property (the "CTRC Easement") over that portion of the Drive that is located on the Authority Property and the Medical Center Property. The CTRC Easement is granted as a right appurtenant to the Crystal Terrace Property that shall run with the land, and burden the Authority Property and the Medical Center Property. The CTRC Easement is granted for the benefit of CTRC and CTRC's lessees, mortgagees, successors, assigns, and its business invitees, licensees, and employees (collectively the "CTRC Permitted Users"), subject to the restrictions, covenants, and charges set forth in this Agreement.
- 1.2 Grant by the Authority, MWMC and CTRC to CT Acres. The Authority, MWMC and CTRC grant to CT Acres a nonexclusive easement for pedestrian and vehicular ingress and egress to the CT Acres Property (the "CT Acres Easement") over that portion of the Drive that is located on the Authority Property, the Medical Center Property and the Crystal Terrace Property. The CT Acres Easement is granted as a right appurtenant to the CT Acres Property that shall run with the land, and burden the Authority Property, the Medical Center Property and the Crystal Terrace Property. The CT Acres Easement is granted for the benefit of CT Acres and CT Acres' lessees, mortgagees, successors, assigns, and its business invitees, licensees, and employees (collectively the "CT Acres Permitted Users"), subject to the restrictions, covenants, and charges set forth in this Agreement.
- grant to MWMC a nonexclusive easement for pedestrian and vehicular ingress and egress to the Extra MWMC Property and the Medical Center Property (the "MWMC Easement") over that portion of the Drive that is located on the Crystal Terrace Property and the Authority Property. The MWMC Easement is granted as a right appurtenant to the Extra MWMC Property and the Medical Center Property that shall run with the land, and burden the Crystal Terrace Property and the Authority Property. The MWMC Easement is granted for the benefit of MWMC and MWMC's lessees, mortgagees, successors, assigns, and its business invitees, licensees, and employees (collectively the "MWMC Permitted Users"), subject to the restrictions, covenants, and charges set forth in this Agreement.
- 1.4 Grant by MWMC and CTRC to the Authority. MWMC and CTRC grant to the Authority a nonexclusive easement for pedestrian and vehicular ingress and egress to the Authority Property (the "Authority Easement") over that portion of the Drive that is located on the Crystal Terrace Property and the Medical Center Property. The Authority Easement is granted as a right appurtenant to the Authority Property that shall run with the land, and burden the Crystal Terrace Property and the Medical Center Property. The Authority Easement is granted for the benefit of the Authority and the Authority's lessees, mortgagees, successors, assigns, and its business invitees, licensees, and employees (collectively the "Authority Permitted Users"), subject to the restrictions, covenants, and charges set forth in this Agreement.
- 2. Consent of PRCC. PRCC hereby acknowledges, accepts and agrees to honor the rights of CTRC, CT Acres, the Authority and MWMC under the terms of this agreement, to the extent said rights affect its sublessee's interest in the Plum Ridge Property.
- 3. Rights and Restrictions. CTRC Permitted Users, CT Acres Permitted Users, MWMC Permitted Users, and Authority Permitted Users (jointly referred to as "Permitted Users") will have the right to use the easements described in this Agreement for vehicular and pedestrian ingress and egress only to the Crystal Terrace Property, the CT Acres Property, the Extra MWMC Property, the Medical

Center Property and the Authority Property. The rights of the parties will not lapse if the Permitted Users fail to use the easements on a continuous basis.

- 4. Maintenance of the Drive. CTRC, CT Acres, the Authority and MWMC acknowledge that MWMC and PRCC have, in PRCC's sublease of the Plum Ridge Property, reached agreement on an allocation of responsibility for the maintenance and repair of the Drive. The allocation is based in large part upon the relative use of the Drive by the CTRC Permitted Users, the CT Acres Permitted Users, the MWMC Permitted Users and the Authority Permitted Users. Therefore, if (a) CTRC, CT Acres, the Authority or MWMC construct additional improvements on the Crystal Terrace Property, the CT Acres Property, the Extra MWMC Property, the Plum Ridge Property, the Medical Center Property, the Adjacent Property or the Extra Authority Property, that directly impacts the usage of the drive, or (b) CTRC, CT Acres, the Authority or MWMC takes any other action that significantly alters the relative use of the Drive, then the party constructing the additional improvements that directly impacts the usage of the drive (or taking other action that significantly alters the relative use of the Drive) shall, with the other parties to this easement, enter into an appropriate alternative agreement that will govern the maintenance and repair of the Drive. If such an agreement is not reached prior to the commencement of the additional improvements or prior to the action that significantly alters the relative use of the Drive, then any party to this easement may commence a binding arbitration proceeding under the rules of the Arbitration Service of Portland, Inc., in which the arbitrator shall allocate the maintenance and repair costs for the Drive based on the changes in the relative use by the Permitted Users. Such allocation shall be final and nonappealable. Provided, that the parties agree and acknowledge that the Authority has no power under Oregon law to assume responsibility for maintenance of the Drive and no maintenance and repair costs will be allocated directly to the Authority.
- 5. No Elimination of Existing Rights. The reciprocal easements described in this Agreement are not intended to replace or diminish the existing rights appurtenant to the Crystal Terrace Property, the CT Acres Property or the Extra MWMC Property created under that certain Klamath County land partition, number 62-00, under which MWMC divided a single parcel of land into the Crystal Terrace Property, the CT Acres Property and the Extra MWMC Property.
- 6. Survival. The reciprocal easements described in this Agreement will bind and inure to the benefit of the successors and assigns of the parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MERLE WEST MEDICAL CENTER, INC.

2865 Daggett Street

Klamath Falls, OR 97601

By:

Paul Stewart

Its:

President/CEO

			~ 1 ~ 10
STATE OF OREGON)		
County of Klamath) ss.)	RAY .	Sone
This instrument President/CEO of Merle W	was acknowledged befor Vest Medical Center, Inc.	re me on this day of	May, 2001 by Paul Stewart as
// CC	THORITY Clamath Avenue OR 97601 Municipal Communication	NOTARY PUBLIC FOR O My Commission Expires: Y By: Berty Dickson Its: Secretary	REGON 8-2-133
State of Oregon County of Klamath))ss.)		
andBetty Dickson, who a	Are, respectively, the Presection of the Presect	e me on this 15th day of Mident and the Secretary of the	May, 2001 by Tim Amuchastegui he Klamath Falls Intercommunity REGON 9-10-51
PLUM RIDGE C 2735 12 th Street S Salem, OR 97362 By: Jon Hard Its: Manager	Nav-		
STATE OF OREGON County of Klamath)) ss.)		
This instrument w Plum Ridge Care Communi OFFICIAL SE PEGGY OWS NOTARY PUBLIC-C COMMISSION NO MY COMMISSION LXPIRES AN	EAL STATE OF THE PROPERTY OF T	NOTARY PUBLIC FOR OF	2001 by Jon Harder as Manager of
SSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSSS	^{173, 5} , 2003 ((My Commission Expires:	6/5/2003

CRYSTAL TERRACE RETIREMENT COMMUNITY LLC

2735 12th Street SE Salem, OR 97302

By:

Jon Harder

Its:

Manager

STATE OF OREGON

County of Klamath Marlo) n 4

This instrument was acknowledged before me on this **22** day of May, 2001 by Jon Harder as Manager of Crystal Terrance Retirement Community, LLC.



NOTARY PUBLIC FOR OREGON .
My Commission Expires: 8-8-03

CT ACRES LLC 2735 12th Street SE Salem, OR/97302

By: Jon Harder Its: Manager

STATE OF OREGON

) ss.

County of Klamath Marion A

This instrument was acknowledged before me on this 22 day of May, 2001 by Jon Harder as Manager of CT Acres LLC.



NOTARY PUBLIC FOR OREGON My Commission Expires: 8-8-03 Parcel 1 of Land Partition 62-00 as shown on the official plat thereof on file at the office of the County Clerk, Klamath County, Oregon, situate in the SE 1/4 NE 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian.

EXHIBIT NO._____A"____

DESCRIPTION FOR 5-ACRE PARCEL

Parcel-2 of Land Partition 62-00 as shown on the official plat thereof on file at the office of the County Clerk, Klamath County, Oregon, situate in the SE 1/4 NE 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian.

March 7, 2001 1047-28

PAGE___OF__

EXTRA MWMC PROPERTY

Parcel 3 of Land Partition 62-00 as shown on the official plat thereof on file at the office of the County Clerk, Klamath County, Oregon, situate in the SE 1/4 NE 1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian.

Exhibit A

Klamath Falls Intercommunity Hospital Authority/ Merie West Medical Center, Inc. Restated Lease

The real property situated in Klamath County, State of Oregon, described as follows, to-wit:

Parcel 1

A tract of land situated in the SN1/4 NE1/4 of Section 20, Township 38 South, Range 9 East, Willamette Meridian, Klamath County, Oregon, being a portion of Blocks 7 and 8 and vacated Hilltop Street, McLoughlin Heights Subdivision, more particularly described as follows:

Commencing at the Northeast corner of McLoughlin Heights; thence South 0°46′00° West along the East boundary of McLoughlin Heights 100.00 feet to the true point of beginning of this description; thence South 0°46′00° West along the East boundary of McLoughlin Heights 572.30 feet to the North boundary of Foothills Boulevard; thence 40.57 feet along the arc of a 20.00 foot radius curve to the right (the long chord of which bears South 58°53′ West 33.97 feet); thence North 63°00′00° West along the North boundary of Foothills Boulevard 104.35 feet; thence 482.81 feet along the arc of a 774.83 foot radius curve to the left (the long chord of which bears North 80°51′03° West 475.03 feet); thence leaving said road boundary North 20°39′40° East 504.11 feet; thence South 89°21′00° East 420.87 feet to the true point of beginning, containing 5.89 acres, more or less.

TOGETHER with the Northerly one-half of vacated Foothill Boulevard abutting the Southerly boundary of the above described parcel

Parcel 2

Lots 8, 9, 10, 11, 12, 13, 14 and 15 in Block 6 of McLoughlin Heights Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Subject to: i) Reservations and restrictions in the dedication of McLoughlin Heights.

EXHIBIT NO.	"D"
PAGE\	OF/



Engineers

Planners

Surveyors

EXHIBIT F

DESCRIPTION OF PROPERTY REVISED 4/26/2001

The following described real property situate in Klamath County, Oregon

PARCEL 1: HOSPITAL

A:

A parcel of land situate in the SW1/4NE1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at an iron pin marking the Northeast corner of said SW1/4NE1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian; thence S. 0°46' W. along the East line of said SW1/4NE1/4 a distance of 100.00 feet to a point; thence N. 89°21' W. a distance of 420.87 feet to a point; thence S. 20°39'40" W. a distance of 504.11 feet to a point on the Northerly line of Foothill Boulevard in the plat of McLoughlin Heights Subdivision; thence, Westerly along said Northerly line to its intersection with the Northeasterly line of Daggett Avenue as shown on the plat of Resubdivision of a portion of McLoughlin Heights; thence Northwesterly along the Northeasterly line of Daggett Avenue to an iron pin on the West line of said SW1/4NE1/4; thence N 0°51' E. along said West line a distance of 381.24 feet, more or less, to the Northwest corner of said SW1/4NE1/4; thence S. 89°21' E. along the North line of said SW1/4NE1/4 a distance of 1318.1 feet, more or less, to the point of beginning.

B:

Lots 1 thru 7 and Lots 16 thru 22 in Block 6 of McLoughlin Heights, according to the official plat thereof on file in the records of Klamath County, Oregon.

C:

A parcel of land situate in the SE1/4NW1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a Brass cap monument marking the Northeast corner of saidSE1/4NW1/4 of Section 20, which monument also marks the Northwest corner of McLoughlin Heights Subdivision, thence N. 89° 10' W. along the North line of said SE1/4NW1/4 a distance of 182.58 feet to a point on the Easterly line of Campus Drive; thence S. 2°38' W. along the Easterly line of Campus Drive to its intersection with the u

EXHIBIT NO.

PAGE___OF_

2950 Shasta Way • Klamath Falls, Oregon 97603 • (541) 884-4666 • FAX (541) 884-5335



Northerly line of Daggett Avenue; thence East along the Northerly line of Daggett Avenue a distance of 191.34 feet, more or less, to the East line of said SE1/4NW1/4; thence N. 0°51' E., along said East line a distance of 381.24 feet, more or less, to the point of beginning.

PARCEL 2: BUSINESS OFFICE

A parcel of land situated in the SE1/4NW1/4 of Section 20, Township 38 South, Range 9 E.W.M., Klamath County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron pin on the Easterly line of that parcel described in Volume M69 page 5894, Deed Records of Klamath County, Oregon, which point bears N. 0°51' E. a distance of 549.15 feet from the center one-quarter corner of said Section 20; thence N. 87°49' W. a distance of 85.0 feet, thence S 0°51' W. a distance of 107.95 feet; thence S. 87°49' E. a distance of 85.0 feet, to the East line of said SE1/4NW1/4; thence N. 0°51' E. along said East line a distance of 107.95 feet to the point of beginning.

PARCEL 3: CANCER CENTER

A. A portion of vacated and repartitioned Block 5 of Resubdivision of a portion of McLoughlin Heights, more particularly described as follows:

Beginning at a point on the Easterly boundary of relocated Uhrmann Road and the Westerly boundary of vacated and repartitioned Block 5 of Resubdivision of a portion of McLoughlin Heights from which the monument marking the center quarter section corner of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, bears N. 82°01' W. 60.47 feet and S. 0°51' W. 674.8 feet distance and the Northwest corner of said Block 5 bears N. 0°51' E. 170.5 feet distant; thence S. 82°01' E 174.7 feet to a point on the easterly boundary of said Block 5; thence S. 12°26'20" E along said Easterly boundary 159.0 feet to a point; thence N. 82°01' W. 211.6 feet to a point on the westerly boundary of said Block 5 thence N. 0°51' E. 150.25 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM the Northerly 23.0 feet thereof as described in Volume M72 page 5888, Deed Records of Klamath County, Oregon.

B. A portion of vacated and repartitioned Block 5 of Resubdivision of a portion of McLoughlin Heights, more particularly described as follows:

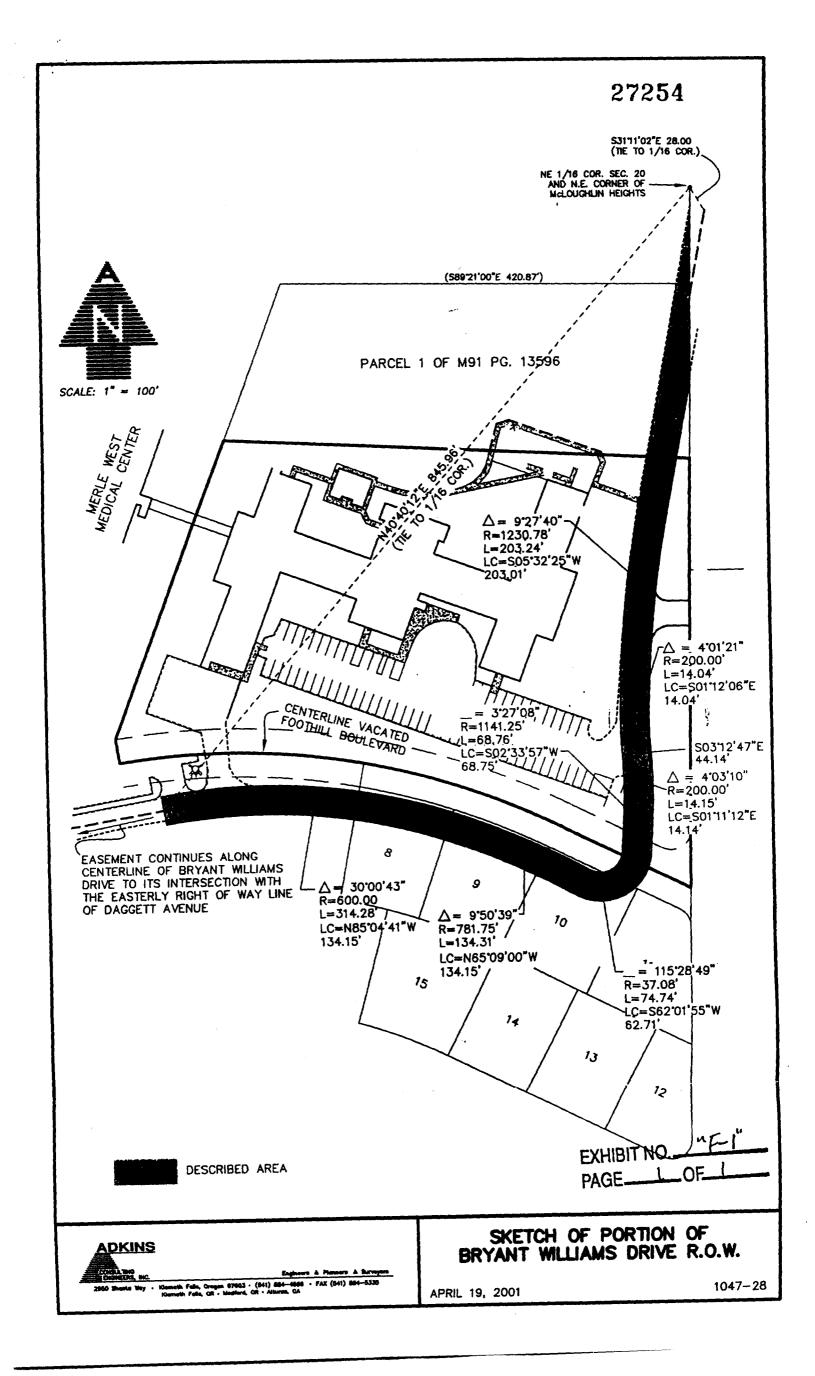
Beginning on the easterly boundary of relocated Uhrmann Road and the westerly boundary of vacated and repartitioned Block 5 of Resubdivision of a portion of McLoughlin Heights from which the monument marking the center quarter section corner of Section 20, T. 38 S. R. 9 E.W.M., bears N. 82°01' W. 60.47 feet and and S. 0°51' W. 524.55 feet distant and the Northwest corner of said Block 5 bears N. 0°51' E.

EXHIBIT NO. "E"
PAGE 2 OF 3



320.75 feet distant; thence S. 82°01' E. 211.6 feet to a point on the easterly boundary of said Block 5; thence following the easterly, southerly and westerly boundaries of said block 5, S. 12°26'20" E. 59.2 feet; thence along a circular curve to the right (which has radius of 20.0 feet, a central angle of 110°25'20", and a long chord which bears S. 42°56'30" W. 32.96 feet) a distance of 38.5 feet to a point; thence N. 82°01' W. 185.35 feet to a point; thence along a circular curve to the right (which has a radius of 20.0 feet; a central angle of 82°52', and a long chord which bears N. 40°35' W. 26.45 feet) a distance of 28.9 feet to a point: thence N. 0°51' E. 65.6 feet, more or less, to the point of beginning.

EXHIBIT NO. ___E"___ PAGE___3_OF_3____





Engineers

Planners

Surveyors

DESCRIPTION FOR BRYANT WILLIAMS DRIVE

A strip of land 30 feet in width situated in the SW¼ of the NE¼ of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being 15 feet, measured at right angles, on both sides of the following described centerline:

Beginning at a point which bears S31°11'02"E 28.00 feet from the NE 1/16 corner of said Section 20, (also being the northeast corner of McLoughlin Heights subdivision) thence S10°16'15"E 333.71 feet; thence 203.24 feet along the arc of a 1230.78 foot radius curve to the left, said curve having a delta angle of 9°27'40" and a long chord which bears S5°32'25"W 203.01 feet; thence 14.04 feet along the arc of a 200.00 foot radius curve to the left, said curve having a delta angle of 4°01'21" and a long chord which bears S1°12'06"E 14.04 feet; thence S3°12'47"E 44.14 feet; thence 14.15 feet along the arc of a 200.00 foot radius curve to the right, said curve having a delta angle of 4°03'10" and a long chord which bears \$1°11'12"E 14.14 feet; thence 68.76 feet along the arc of a 1141.25 foot radius curve to the right, said curve having a delta angle of 3°27'08" and a long chord which bears S2°33'57"W 68.75 feet; thence 74.74 feet along the arc of a 37.08 foot radius curve to the right, said curve having a delta angle of 115°28'49" and a long chord which bears S62°01'55"W 62.71 feet; thence 134.31 feet along the arc of a 781.75 foot radius curve to the left, said curve having a delta angle of 9°50'39" and a long chord which bears N65°09'00"W 134.15 feet; thence 314.28 feet along the arc of a 600.00 foot radius curve to the left, said curve having a delta angle of 30°00'43" and a long chord which bears N85°04'41"W 310.70 feet, to a point which bears S40°40'12"W 845.96 feet from said NE 1/16 corner of Section 20; thence westerly as presently constructed to the easterly right of way line of Daggett Avenue; the side lines of said strip to be lengthened or shortened to terminate at the east line of said SW1/4 NE1/4 of Section 20 and at said easterly right of way of Daggett Avenue.

1047-28 April 19, 2001

> State of Oregon, County of Klamath Recorded 06/08/01, at 356 pm. In Vol. M01 Page 27242 Linda Smith, County Clerk Fee\$ 86

EXHIBIT NO. "F-2"
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