



12/30/2010 03:54:01 PM

Fee: \$47.00

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

Wells Fargo Foothill, LLC, Assignee/Agent  
14241 Dallas Parkway, Suite 1300  
Dallas, Texas 75254  
Attention: Loan Portfolio Manager – Fairway

**ASSIGNOR'S NAME AND ADDRESS:**

Fairway Blue Oak Fund, LLC  
6650 SW Redwood Lane, Suite 290  
Portland, OR 97224

*14 1444293*

Space Above Line For Recorder's Use Only

**COLLATERAL ASSIGNMENT  
OF MORTGAGE AND LOAN DOCUMENTS**

This COLLATERAL ASSIGNMENT OF MORTGAGE AND LOAN DOCUMENTS (this "Assignment") is made as of December 28, 2010, by **Fairway Blue Oak Fund, LLC**, an Oregon limited liability company ("Assignor"), with an address at 6650 SW Redwood Lane, Suite 290, Portland, Oregon 97224, Attention: Matthew W. Burk, in favor of **Wells Fargo Foothill, LLC**, a Delaware limited liability company, as Agent ("Assignee"), with an address at 14241 Dallas Parkway, Suite 1300, Dallas, Texas 75254, Attention: Loan Portfolio Manager – Fairway, as follows:

1. FOR VALUE RECEIVED, Assignor hereby endorses, negotiates, sells, assigns, conveys and transfers to Assignee as collateral security for the performance of the Obligations (as defined in the Loan and Security Agreement described below) all of Assignor's right, title, and interest in and to that certain Line of Credit Commercial Deed of Trust and Assignment of Rents dated December 28, 2010, executed by KHOURY DEVELOPMENT, LLC, an Oregon limited liability company, and recorded on December 28, 2010, in the Official Records of Klamath County, State of Oregon, as Instrument No. 2010/14738 thereof (hereinafter called the "Mortgage"), describing certain real property therein (the "Real Property") as:

**See Exhibit "A"**

TOGETHER, with (i) the note or notes and all other indebtedness secured thereby, (ii) any and all guaranties of the foregoing, (iii) all other documents and instruments executed in connection therewith, (iv) any and all title insurance commitments and policies issued, or hereafter issued, by any title insurer insuring the lien of the foregoing lien instrument, (v) any and all rights with respect to escrow deposits relating thereto, (vi) all modifications, supplements or advances made in connection with the foregoing, (vii) all monies due and to become due thereon, and (viii) all rights accrued or to accrue under, and all proceeds of, the foregoing.

2. Assignor represents and warrants that it is the legal and equitable owner and holder of the indebtedness secured by the Mortgage and the foregoing lien instrument and the documents executed in connection therewith and the same are being conveyed to Assignee hereby, free and clear of any lien, claim or encumbrance of any nature.

3. The provisions of this Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

4. This Assignment is being delivered pursuant to that certain Loan and Security Agreement, dated as of September 4, 2008, as amended, restated, supplemented or otherwise modified from time to time, among Assignor, Fairway America, LLC, as servicer, the lenders from time to time parties thereto, and Assignee, as agent.

5. If any provision of this Assignment or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent under applicable law, the remainder of this Assignment and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

6. This Assignment shall be interpreted, construed and enforced according to the laws of the state in which the Real Property is located.

7. Neither this Assignment nor any provisions hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first set forth above.

**FAIRWAY BLUE OAK FUND, LLC**, an Oregon limited liability company

By: Fairway America, LLC, an Oregon limited liability company, Manager

By: Skylands Investment Corporation, an Oregon limited liability company, Manager

By: *Matthew W. Burk*  
Matthew W. Burk, President

STATE OF OREGON )

) ss.  
)

County of Washington



This instrument was acknowledged before me on this 29 day of December, 2010, by Matthew W. Burk, as President of Skylands Investment Corporation, an Oregon corporation, Manager of Fairway America, LLC, an Oregon limited liability company, Manager of Fairway Blue Oak Fund, an Oregon limited liability company.

*Angela Henderson*  
Notary Public for Oregon  
My Commission Expires: 5-17-2011

**Exhibit "A"**

Real property in the County of Klamath, State of Oregon, described as follows:

**PARCEL 1:**

THE WESTERLY 300 FEET OF THE NORTHERLY 135 FEET OF LOT 2, BLOCK 3, TRACT 1080, WASHBURN PARK, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

**PARCEL 2:**

A PARCEL OF LAND SITUATED IN LOT 2 OF BLOCK 3, TRACT 1080-WASHBURN PARK, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 2" INCH PIPE ON THE WEST LINE OF SAID LOT 2, FROM WHICH THE NORTHWEST CORNER OF SAID LOT 2 BEARS NORTH 00° 30' 30" EAST 314.74 FEET; THENCE NORTH 00° 03' 30" EAST ALONG SAID WEST LINE 112.50 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89° 56' 30" EAST, 400.00 FEET TO THE EAST LINE OF SAID LOT 2; THENCE NORTH 00° 03' 30" EAST ALONG THE EAST LINE OF LOT 2, 202.24 FEET TO THE NORTHEAST CORNER OF SAID LOT 2; THENCE NORTH 89° 56' 30" WEST ALONG THE NORTH LINE OF LOT 2, 400.00 FEET TO THE NORTHWEST CORNER OF LOT 2; THENCE SOUTH 00° 03' 30" WEST ALONG THE WEST LINE OF LOT 2, 202.24 FEET TO THE POINT OF BEGINNING; EXCEPTING THEREFROM THE WESTERLY 300 FEET OF THE NORTHERLY 135 FEET THEREOF, WITH BEARINGS BASED ON MINOR PARTITION NO. 83-82, AS FILED IN THE KLAMATH COUNTY ENGINEER'S OFFICE.

TOGETHER WITH A PERPETUAL NON-EXCLUSIVE EASEMENT FOR DRAINAGE AND INSTALLATION OF UTILITIES ALONG AND UPON A 10-FOOT STRIP OF LAND MEASURED AT RIGHT ANGLES TO AND PARALLEL WITH THE EASTERLY AND NORTHERLY LINES OF SAID LOT 2, SAID LINES BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT SOUTH 00° 03' 30" WEST 314.74 FEET FROM THE NE CORNER OF SAID LOT 2; THENCE SOUTH 00° 03' 30" WEST 285.00 FEET, THENCE SOUTH 89° 56' 30" EAST 84.91 FEET.

Tax Parcel Number: R526023 and R526032