

1st 1763137

2012-003340

Klamath County, Oregon

WHEN RECORDED MAIL TO AND UNTIL A CHANGE IS
MADE SEND ALL TAX NOTICES TO:
RBD CAPITAL GROUP, LLC
525 COLORADO AVENUE
SANTA MONICA, CA 90401
ATT: RICHARD HERSCHENFELD



00116025201200033400120122

03/30/2012 12:28:33 PM

Fee: \$97.00

**ASSIGNMENT OF LEASEHOLD INTEREST, and
CONSENT TO ASSIGNMENT AND MORTGAGE ASSUMPTION AND RELEASE**

This Assignment of Leasehold Interest, Consent to Assignment and Mortgage Assumption and Release (this "Assignment") is made effective as of the 29 day of March, 2012, by and between Plum Ridge Care Community, LLC, an Oregon limited liability company ("Assignor"), Sky Lakes SNF, LLC, a California limited liability company ("Assignee"), Sky Lakes Medical Center, Inc., an Oregon non-profit corporation, and Klamath Falls Intercommunity Hospital Authority.

RECITALS

- A. Klamath Falls Intercommunity Hospital Authority ("Owner") owns real property located at 1401 Bryant Williams Drive, more particularly described on the attached Exhibit A (the "Property") on which a skilled nursing facility currently known as Marquis Plum Ridge is operated (the "Facility").
- B. Owner leased the Property, together with all fixtures to Merle West Medical Center, Inc., an Oregon non-profit corporation, now known as Sky Lakes Medical Center, Inc. ("Sky Lakes") under a restated lease dated March 9, 2001 (the "Prime Lease"), with a term ending on April 1, 2090. The Owner transferred its ownership interest in equipment and personal property to Sky Lakes under a bill of sale. Sky Lakes paid Owner all rent due under the Prime Lease for its entire term. Under the Prime Lease, Sky Lakes took on certain obligations and liabilities (the "Prime Lease Obligations"). The Prime Lease is memorialized in the real property records of Klamath County, Oregon under a Memorandum of Lease, recorded March 22, 2001 in the records of Klamath County, Vol. M01, Page 27305.
- C. Sky Lakes executed an Asset Purchase and Sale Agreement dated April 3, 2001 (the "Original Purchase and Sale Agreement") to Assignor as of June 8, 2001, under which it assigned to Assignor all of its rights to certain personal property assets used in the operation of the Facility (the "Personal Property Assets").
- D. Sky Lakes entered into a sublease (the "Plum Ridge Sublease") under which it sublet to Assignor all of its interest in the Property, together with all equipment, fixtures, and other personal property used or useful therewith and at that time located on the Property, which were not assigned to Assignor under the Original Purchase and Sale Agreement. The Plum Ridge Sublease has a term that runs through March 31, 2090. Assignor prepaid all base rent due Sky Lakes and assumed all Prime Lease Obligations under the Plum Ridge Sublease. As additional rent, Assignor is responsible to pay all taxes, insurance costs, utility charges, and any other charges required of Assignor under the Plum Ridge Sublease (the "Additional Rent Obligations"). Further, the Assignor assumed other obligations and responsibilities under the Plum Ridge Sublease (the "Plum Ridge Sublease Obligations"). The Plum Ridge Sublease is memorialized in the real property records of Klamath County, Oregon under a Memorandum of Lease recorded June 8, 2001.
- E. Assignor entered into a Sublease and Purchase Option Agreement, as amended, (the "Operating Sublease") as of November 7, 2002 with Marquis Companies I, Inc. ("Marquis"), under which Assignor sublet its interest in the Property to Marquis. The Operating Sublease terminates on September 30, 2016. Assignor will be assigning its interest in the Operating Sublease to Assignee under a separate assignment, to be effective concurrently with this Assignment.

F. Assignor was involved in receivership and bankruptcy proceedings filed in U.S. District Court in Eugene, Oregon (the "District Court"). On July 19, 2010, an order was entered and by its terms became effective on August 5, 2010 (the "Final Plan Confirmation"), under which the District Court ordered that the underlying ownership interest of Assignor be assigned to an entity now known as Willamette Property Holdings, LLC, and that the assets of Willamette Property Holdings, LLC be sold and liquidated in an orderly fashion for the benefit of the bankruptcy and receivership estate. Accordingly, Willamette Property Holdings, LLC is now the owner of 100% of the underlying membership interest of Assignor.

G. Assignor currently has a loan (the "Loan") with U.S Bank National Association, a national banking association, solely in its capacity as Grantor Trust Trustee of Marathon Real Estate CDO 2006-1 Grantor Trust, Series XX ("Lender"), secured by (i) that certain Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of July 19, 2007 made by Assignor in favor of Lender, as amended by that certain First Amendment to Leasehold Deed of Trust, Assignment of Rents and Security Agreement and Assignment of Leases and Rents dated as of August 11, 2011 by and between Assignor and lender (the "Leasehold DOT Amendment"), and (ii) that certain Assignment of Leases and Rents dated as of July 19, 2009 made by Assignor in favor of Lender, as amended by the Leasehold DOT Amendment and other documents. Concurrently with this Assignment, Assignee will assume all obligations under the Loan.

H. Assignor has entered into that certain Purchase and Sale Agreement and Escrow Instructions dated as of October 14, 2011 with Assignee, under which Assignor has agreed to assign all of its interest in the Plum Ridge Sublease to Assignee, all as provided below.

NOW, THEREFORE, the parties enter into the following Assignment:

1. Incorporation of Recitals. The Recitals are incorporated as part of this Assignment.
2. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in and to the Plum Ridge Sublease and the Property to Assignee, subject to those exceptions to title listed on the attached Exhibit B and as stated in Section 4.16 of the original sublease between Sky Lakes Medical Center, Inc. (fka Merle West Medical Center, Inc.) as Landlord and Plum Ridge Care Community, LLC, as Tenant. Assignee hereby accepts all of Assignor's right, title and interest in and to the Plum Ridge Sublease and the Property and assumes all the Plum Ridge Sublease Obligations and the Prime Lease Obligations.

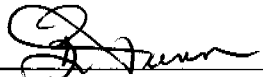
Assignor and Assignee have executed this Assignment to be effective as of the date set forth above.

[Signature Pages Follow]

ASSIGNOR:

PLUM RIDGE CARE COMMUNITY, LLC, an Oregon limited liability company

By: Willamette Property Holdings, LLC, an Oregon limited liability company

By: 
Robert L. Dunn, Manager

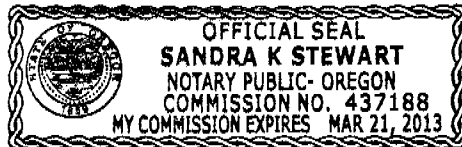
STATE OF OREGON)

County of DeKalb ss.

This instrument was acknowledged before me on 3/14/12 by Robert L. Dunn, as Manager of Willamette Property Holdings, LLC, the sole member and manager of Plum Ridge Care Community, LLC.

Before me:


NOTARY PUBLIC FOR OREGON
My Commission Expires: 3/21/13



SKY LAKES SNF, LLC, a California limited liability company

By: Richard S. Herschfeld
Name: defining member
Its: _____

STATE OF)
) SS
COUNTY OF)

On this _____ day of _____, 2012, personally appeared _____, who being duly sworn did say that he/she is the _____ of RBD Capital Group, LLC, a California limited liability company, managing member of SKY LAKES SNF, LLC, a California limited liability company and that said instrument was signed on behalf of said limited liability companies by authority of its members; and he/she acknowledged said instrument to be the voluntary act and deed of said limited liability company.

Notary Public for the State of _____

4

ACKNOWLEDGMENT

State of California
County of Los Angeles)

On March 14, 2012 before me, Mia Loewinger, Notary Public
(insert name and title of the officer)

personally appeared Richard Herschenfeld,
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



Sky Lakes hereby:

- SKY LAKES MEDICAL CENTER, INC., an Oregon non-profit corporation

By:

STATE OF OREGON)

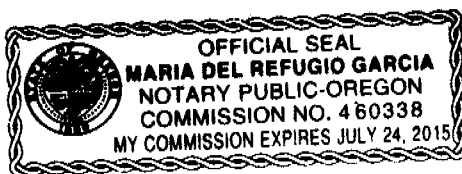
) ss.

County of Klamath)

This instrument was acknowledged before me on 19 MAR 12 by Paul R. Stewart
as President & CEO of Sky Lakes Medical Center.

Before me:

NOTARY PUBLIC FOR OREGON
My Commission Expires: July 24, 2015



CONSENT TO ASSIGNMENT and MORTGAGE ASSUMPTION

Klamath Falls Intercommunity Hospital Authority hereby:

A. Consents to the assignment of Assignor's interest in the Plum Ridge Sublease to Assignee.

Klamath Falls Intercommunity Hospital Authority

By:

Stan Gilbert

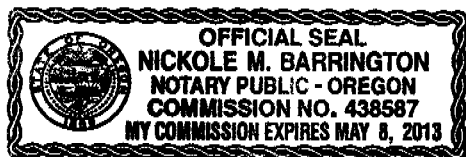
STATE OF OREGON)

) ss.

County of Klamath

This instrument was acknowledged before me on March 19, 2012 by Stan Gilbert
as Chairman of the Klamath Falls Hospital Authority.

Before me:



Nicole M. Barrington
NOTARY PUBLIC FOR OREGON
My Commission Expires: 5-8-2013

Exhibit A
Property Legal Description

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

A TRACT OF LAND SITUATED IN THE SW 1/4 OF THE NE 1/4 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, 100.0 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. TOGETHER WITH THE NORTHERLY ONE-HALF OF VACATED FOOTHILL BOULEVARD ABUTTING THE SOUTHERLY BOUNDARY OF THE ABOVE DESCRIBED PARCEL.

ALSO INCLUDING LOTS 8, 9, 10, 11, 12, 13, 14 AND 15 OF BLOCK 6 OF MCLOUGHLIN HEIGHTS SUBDIVISION, TOGETHER WITH THE SOUTHERLY ONE-HALF OF VACATED FOOTHILL BOULEVARD ABUTTING THE NORTHERLY BOUNDARY OF SAID LOTS 8, 9, 10, 11, 12, 13, 14 AND 15 OF BLOCK 6;

EXCEPTING THEREFROM LOTS 8, 9, 10, 11, 12, 13, 14 AND 15 OF BLOCK 6 OF MCLOUGHLIN HEIGHTS SUBDIVISION, TOGETHER WITH THE SOUTHERLY ONE-HALF OF VACATED FOOTHILL BOULEVARD ABUTTING THE NORTHERLY BOUNDARY OF SAID LOTS 8, 9, 10, 11, 12, 13, 14 AND 15 OF BLOCK 6;

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE NE 1/16 CORNER OF SECTION 20, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING THE NORTHEAST CORNER OF MCLOUGHLIN HEIGHTS SUBDIVISION; THENCE ALONG THE EAST BOUNDARY OF SAID MCLOUGHLIN HEIGHTS AND THE EAST LINE OF THE SW 1/4 NE 1/4 OF SAID SECTION 20 SOUTH 0°46'00" WEST 100.00 FEET TO THE NORTHEAST CORNER OF THAT PARCEL DESCRIBED AS PARCEL 1 IN DEED VOLUME M91, PAGE 13596, RECORDS OF KLAMATH COUNTY, OREGON: THENCE ALONG THE NORTHERLY BOUNDARY OF SAID PARCEL NORTH 89°21'00" WEST 420.87 FEET TO THE NORTHWEST CORNER OF SAID PARCEL; THENCE SOUTH 20°39'40" WEST 504.11 FEET TO THE SOUTHWEST CORNER OF THAT PARCEL DESCRIBED IN DEED VOLUME M75, PAGE 8321, RECORDS OF KLAMATH COUNTY, OREGON AND THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION; THENCE SOUTH 08°42'06" EAST 25.00 FEET TO THE CENTERLINE OF VACATED FOOTHILL BOULEVARD; THENCE FOLLOWING SAID CENTERLINE ALONG THE ARC OF A 749.83 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT 82.06 FEET, THE LONG CHORD OF WHICH BEARS SOUTH 84°26'01" WEST 82.02 FEET; THENCE LEAVING SAID CENTERLINE NORTH 09°10'20" WEST 12.82 FEET; THENCE SOUTH 80°17'48" WEST 17.62 FEET; THENCE NORTH 09°32'02" WEST 17.04 FEET; THENCE SOUTH 80°54'52" WEST 63.92 FEET TO THE POINT OF BEGINNING:

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PORTION OF PARCEL 1 OF DEED VOLUME M91, PAGE 13596, RECORDS OF KLAMATH COUNTY, OREGON: BEGINNING AT A POINT ON THE EAST

BOUNDARY OF MCLOUGHLIN HEIGHTS WHICH BEARS SOUTH 0°46'00" WEST 100.00 FEET FROM THE NORTHEAST CORNER THEREOF, SAID POINT BEING THE NORTHEAST CORNER OF SAID PARCEL 1 OF DEED VOLUME M91, PAGE 13596; THENCE NORTH 89°21'00" WEST ALONG THE NORTH LINE OF SAID PARCEL 420.87 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH 20°39'40" WEST ALONG THE WESTERLY LINE OF SAID PARCEL 173.00 FEET TO A POINT; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL SOUTH 86°54'35" EAST 274.87 FEET; THENCE LEAVING SAID SOUTHERLY LINE NORTH 15°01'01" EAST 28.90 FEET; THENCE NORTH 72°20'55" EAST 13.09 FEET; THENCE SOUTH 69°41'02" EAST 99.96 FEET; THENCE SOUTH 24°30'18" EAST 3.74 FEET TO THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE SOUTH 86°54'35" EAST TO A POINT ON THE EAST LINE OF SAID PARCEL; THENCE NORTH 0°46'00" EAST ALONG SAID EAST LINE 183.00 FEET TO THE POINT OF BEGINNING:

Tax Parcel Number: R752064 and R872634 and P889734

Exhibit B
Exceptions to Title

1. Reservation of utilities in vacated street area and the right to maintain the same as set forth in Ordinance No. 6639, vacating Foothill Boulevard, a copy of which was Recorded November 12, 1992 in Volume M92 Page 26872, records of Klamath County, Oregon.

2. Lease and the terms and conditions thereof as disclosed by Memorandum of Lease.

Lessor: Klamath Falls Intercommunity Hospital Authority

Lessee: West Living Centers, Inc.

Term: March 9, 2001 and ending April 1, 2090

Dated: March 9, 2001

Recorded: March 22, 2001

Recording Information: Volume M01 Page 11419, records of Klamath County, Oregon

3. Agreement for Reciprocal Access Easement, including the terms and provisions thereof, by and between Merle West Medical Center, Inc., Crystal Terrace Retirement Community, LLC, CT Acres, LLC, Plum Ridge Care Community, LLC and Klamath Falls Intercommunity Hospital Authority, dated June 8, 2001 and recorded June 8, 2001 in M-01 on Page 27242, records of Klamath County, Oregon.

4. Lease and the terms and conditions thereof as disclosed by Memorandum of Lease.

Lessor: Merle West Medical Center, Inc.

Lessee: Plum Ridge Care Community, LLC

Term: June 8, 2001 and ending March 31, 2090

Dated: June 8, 2001

Recorded: June 8, 2001

Recording Information: M01 Page 27305, records of Klamath County, Oregon

5. Geothermal and water supply lines and equipment easement, including terms and provisions thereof.

Recorded: June 8, 2001 in Volume M01 Page 27309, records of Klamath County, Oregon

6. Agreement for communication liens and equipment easement, including terms and provisions thereof.

Recorded: June 8, 2001 in Volume M01 Page 27325, records of Klamath County, Oregon

7. Agreement for reciprocal access to walkway easement, including terms and provisions thereof.

Recorded: June 8, 2001 in Volume M01 Page 27333, records of Klamath County, Oregon

8. Leasehold Deed of Trust, Security Agreement with Assignment of Rents and the terms and conditions thereof.

Grantor/Trustor: Plum Ridge Care Community LLC
Grantee/Beneficiary: Marathon Structured Finance Fund L.P.
Trustee: First American Title Insurance Company
Amount: \$4,600,000.00
Recorded: July 23, 2007
Recording Information: 2007-13029, records of Klamath County, Oregon

The beneficial interest under said Leasehold Deed of Trust has been assigned to LaSalle Bank National Association, a national banking association, in its capacity as the trustee for Marathon Real Estate CDO 2006-1, by Assignment recorded December 11, 2007, as Instrument No. 2007-20734, records of Klamath County, Oregon.

Modification and/or amendment by instrument:
Recording Information: October 25, 2011 in 2011-11937, records of Klamath County, Oregon

9. Assignment of leases and/or rents and the terms and conditions thereof:

Assignor: Plum Ridge Care Community LLC
Assignee: Marathon Structured Finance Fund L.P.
Recorded: July 23, 2007
Recording Information: 2007-13030, records of Klamath County, Oregon

The beneficial interest under said Deed of Trust has been assigned to LaSalle Bank National Association, a national banking association, in its capacity as the trustee for Marathon Real Estate CDO 2006-1, as assignee, by Assignment recorded December 11, 2007, as Instrument No. 2007-20735, records of Klamath County, Oregon.

Modification and/or amendment by instrument:
Recording Information: October 25, 2011 in 2011-11937, records of Klamath County, Oregon

10. The terms and provisions contained in the document entitled "Estoppel Deed" recorded July 23, 2007, in 2007-13031, records of Klamath County, Oregon. by and between: Plum Ridge Care Community LLC, and Jon M Harder and Darryl E. Fisher and Marquis Companies I, Inc.

11. Heating and Cooling Water Supply Agreement and the terms and conditions thereof:

Between: PFRS Crystal Terrace Corp
And: Marquis Companies I, Inc. and Plum Ridge Care Community LLC
Recording Information: December 24, 2009, records of Klamath County, Oregon

Amendment to Heating and Cooling Water Supply Agreement by instrument:
Recording Information: October 7, 2011 in 2011-11191, records of Klamath County, Oregon.

12. Financing Statement, indicating a Security Agreement

Debtor: Plum Ridge Care Community, LLC
Secured Party: U.S. Bank National Association, as Trustee
Recorded: October 27, 2011
Recording Information: 2011-11981, records of Klamath County, Oregon