

NOT 93175-KR

2012-003813

Klamath County, Oregon



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Fee: \$97.00

WHEN RECORDED  
RETURN TO:

Royce Ann Simmons  
Harvest Capital Company  
PO Box 579  
Canby, OR 97013

(space above reserved for recorder's use)

**CONSENT TO TRANSFER, ASSUMPTION, AND RELEASE AGREEMENT  
(Demeter Loans)**

This CONSENT TO TRANSFER, ASSUMPTION, AND RELEASE AGREEMENT is made this 28 day of March, 2012, by and between MARTIN C. YACOOBIAN, JR. (individually), MARTIN C. YACOOBIAN, JR., as Trustee of the MCY III TRUST U/T/A/ dated July 11, 1996, MARTIN C. YACOOBIAN, JR., as Trustee of the MARTIN CHARLES YACOOBIAN, III TRUST U/T/A dated March 20, 1996, YACOOBIAN RANCH, LLC, an Oregon limited liability company, and MARTIN C. YACOOBIAN, JR., as Trustee of the YACOOBIAN FAMILY TRUST U/T/A/ dated July 21, 2005 (collectively, "**Original Borrower**") at PO Box 550, Agoura Hills, CA 91376-0550, JUNIPER RIDGE ESTATES LLC, an Oregon limited liability company ("**Assuming Borrower**") at PO Box 550, Agoura Hills, CA 91376-0550, and DEMETER AG, LLC, an Oregon corporation ("**Lender**"), at PO Box 579, Canby, OR 97013. Original Borrower and Assuming Borrower are referred to collectively herein as the "**Borrowers**."

**RECITALS**

A. Original Borrower obtained a loan in the original principal amount of \$515,000 (the "**First Loan**") from Lender. The First Loan is evidenced by a Promissory Note in the original principal amount of \$515,000 dated January 8, 2010, made by Original Borrower to the order of Lender (the "**First Note**"). The First Note, and the First Loan evidenced thereby, are secured by, among other things:

- a. A Mortgage, Assignment of Rents and Security Agreement and Fixture Filing dated January 8, 2010, and recorded January 11, 2010 as Instrument No. 2010-000322, Official Records of Klamath County, Oregon (the "**Mortgage**"), as modified by that certain Partial Release of Mortgage recorded November 14, 2011 as Instrument No. 2011-012694, Official Records of Klamath County, Oregon (the "**Partial Release**"). As modified, the Partial Release, the Mortgage encumbers the real property described on attached Exhibit A, and certain related personal property; and
- b. A UCC-1 Financing Statement from the Original Borrower, as debtor, to Lender, as secured party, filed with the Oregon Secretary of State on January 11, 2010 as No. 8438724 (the "**Oregon Financing Statement**").

The Mortgage and the Oregon Financing Statement are referred to collectively as the "**Security Documents**." The real and personal property encumbered by the Security Documents is referred to herein as the "**Property**."

*[Handwritten signature]*

B. Original Borrower also obtained a loan in the original principal amount of \$115,000.00 (the "**Second Loan**," and together with the First Loan, the "**Loans**") from Lender. The Second Loan is evidenced by a Promissory Note dated September 10, 2010, made by Original Borrower to the order of Lender (the "**Second Note**," and together with the First Note, the "**Notes**"), and is secured by the Security Documents.

C. Original Borrower has requested the Lender's consent to (i) the acquisition of the Property by the Assuming Borrower (the "**Acquisition**"), and the assumption of the Loans by Assuming Borrower (the "**Assumption**"), and (ii) the release (the "**Release**") of Yacoobian Ranch, LLC, an Oregon limited liability company ("**Yacoobian Ranch**") from the obligations under the Notes, the Mortgage, and documents executed in connection therewith (collectively, the "**Loan Documents**").

D. Lender has agreed to the Acquisition, Assumption, and Release, on the terms, covenants, and conditions described below.

### **AGREEMENT**

1. Confirmation of the Loans. All of the Loan Documents are hereby confirmed by the Original Borrower as being in full force and effect and the Original Borrower acknowledges that it has no defenses or offsets to any of its obligations thereunder, and that Lender has performed all of its obligations to this date.

2. Lender's Conditional Consent to Assignment. Subject to satisfaction of all of the following conditions (the "**Closing Conditions**"), Lender hereby consents to the Acquisition:

(a) Lender's receipt of a true and correct copy of all of the executed documents by which the Acquisition was effected;

(b) Lender's receipt of this Agreement without modification executed by Original Borrower and Assuming Borrower;

(c) Lender's receipt of all Expense Reimbursements, as defined below;

(d) Lender's receipt of Assuming Borrower's property and liability insurance certificates, as required by the Mortgages;

(e) Lender's receipt of true and complete copies of Assuming Borrower's Articles of Organization and Operating Agreement, and a certificate executed by a member of Assuming Borrower certifying the identity of its current members; and

(f) Lender's receipt of the letter agreement of even date hereof executed by each of Borrowers.

Lender's consent under this Section 2 is expressly conditioned upon satisfaction of the Closing Conditions on or before April 16, 2012, or such later date as Lender may agree to in writing, in Lender's sole discretion. The date on which such conditions are satisfied shall be the "**Closing Date**."

3. Lender's Conditional Covenant to Release. Upon (i) satisfaction of all of the Closing Conditions, and (ii) delivery to Lender of such documentary evidence of Yacoobian Ranch's dissolution as Lender requires, in Lender's sole discretion (the "**Dissolution Documents**"), Lender shall release Yacoobian Ranch from all obligations arising under the Note, Mortgages, and other Loan Documents.

Lender's covenant under this Section 3 is expressly conditioned upon timely satisfaction of the Closing Conditions, AND delivery to Lender of the Dissolution Documents.

4. Assuming Borrower's Assumption. Assuming Borrower hereby assumes and agrees to pay and perform the Notes and all of Original Borrower's unperformed past, current and future obligations evidenced by, or under, the Loan Documents and this Agreement, as and when due. Assuming Borrower agrees with Lender that this assumption specifically includes, without limitation, all of Original Borrower's covenants and indemnities regarding the Property as well as the obligation to repay the Loans.

5. Continuing Liability of Original Borrower. Subject to Lender's covenant to release Yacoubian Ranch upon satisfaction of the conditions described in Section 3 above, nothing herein releases Original Borrower from its personal liability under the Loan Documents. Original Borrower hereby acknowledges and affirms its continuing personal liability under the Loan Documents for all obligations thereunder.

6. Release of Lender. As part of the consideration for this Agreement, Original Borrower and Assuming Borrower, on behalf of themselves and their successors and assigns, hereby each acknowledge that they have no claims of any nature against Lender in connection with the Loans and forever release, waive, and discharge Lender from, and covenant not to bring any suit against Lender for, any such claim, cause of action, demand, suit, cost or expense they may have, of whatsoever nature and kind, based on any facts existing prior to the date of this Agreement. Said releasing parties acknowledge that this release extends to known and unknown claims.

7. Obligations Secured. The Security Documents shall continue to secure the entire principal and interest of the Notes, and shall continue to secure the other obligations stated in the Security Documents. Assuming Borrower acknowledges that it is acquiring the Property subject to the Security Documents and hereby grants to Lender as additional security for the Loans a security interest in the personal property described in the Mortgage, and the proceeds thereof, which are or hereafter become located upon or used in connection with the Property and all replacements, accessions and additions thereto as described in the Mortgage. Said security interest and Lender's rights with respect thereto shall be governed by the terms of the Mortgage, which for such purpose are incorporated herein by this reference, and shall be perfected by the filing by the Lender of an amendment to the Oregon Financing Statement, and/or at Lender's election, a new financing statement in which Assuming Borrower is identified as debtor. The Mortgage constitutes a fixture filing under the Uniform Commercial Code and for this purpose the following information regarding Assuming Borrower is provided:

State of Organization: Oregon  
Organization Number: 829710-95  
Type of Organization: limited liability company

8. Borrower's Representations and Warranties. As of the date of this Agreement, the Borrowers hereby jointly and severally represent and warrant to Lender as follows:

(a) Consequences of Loan Structure. Each of the Borrowers understands and agrees that:

(i) all of the Property will secure the entire amount of the Loans under the Notes and the other Loan Documents regardless of its vested ownership;

(ii) a default by any or all of the Borrowers under any of the Loan Documents will constitute a default under all of the Loan Documents;

(iii) no Borrower will be entitled to the release of Lender's security interest in any portion of the Property owned by any Borrower until the indebtedness of the Loans has been paid in full;

(iv) all of the Property, regardless of the form by which it is encumbered, shall be security for the repayment of the Notes, and shall be available to satisfy the obligations incurred in connection with the Loans;

(v) the Loans are cross-defaulted with the "Prior Liens," as defined in the Notes, such that a default under the Notes, the Loan Documents, the Prior Liens, and any documents executed in connection with or evidencing the Prior Liens, could result in the sale of some or all of the Property securing the Loans, and the application of the proceeds from such sale to completely or only partially satisfy the joint and several obligations of the Borrowers under the Notes or the Loan Documents; and,

(vi) due to the common ownerships and business relationships among Borrowers there is a community of interests among the Borrowers such that the benefits of the Loans to any one Borrower also benefits the other Borrowers. The benefit of the Loans to each of the Borrowers constitutes the reasonably equivalent value of the aggregate transfers made and the aggregate obligations incurred by each of the Borrowers in connection with the Loans. The transfers made and obligations incurred by each Borrower in connection with the assumption of the Loans are not made with the intent to hinder, delay or defraud any person to which any Borrower was, is, or hereinafter will become, indebted.

(b) Insolvency. No Borrower is insolvent as of the date of this Agreement. None of the Borrowers will become insolvent as a result of the obligations incurred and transfers made in connection with the Assignment and the Assumption of the Loans as provided herein. None of the Borrowers is, or is about to be, engaged in a business or transaction for which such Borrower will have an unreasonably small amount of capital after the closing of the Assignment and the Assumption. None of the Borrowers have incurred, or contemplates incurring, debts beyond such Borrower's ability to pay as such debts become due.

(c) Authority. Execution, delivery and performance of this Agreement and any and all other Loan Documents or other documents executed and/or delivered in connection herewith have been authorized by each of the Borrowers.

(d) Additional Representations and Warranties. All of the warranties and representations contained in the Loan Documents are true, correct, complete and accurate on the date of this Agreement, except as may be amended or changed due to this Agreement.

9. Expense Reimbursements. Borrowers shall reimburse Lender upon demand for all title premiums, title search charges, escrow fees, documentary stamps, recording fees and other costs, expenses and attorneys' fees incurred by Lender in connection with this Agreement or the satisfaction of any of the Closing Conditions (the "**Expense Reimbursements**"), regardless of whether the Acquisition, Assumption, or Release contemplated by this Agreement are consummated.

10. Assuming Borrower's Address. From and after the Closing Date, the Lender shall send all notices it gives to Assuming Borrower under the Loan Documents to the Assuming Borrower at the following address:

Juniper Ridge Estates LLC  
PO Box 550  
Agoura Hills, CA 91376-0550

11. Consent Limited; No Waiver. Lender's consent in this Agreement is limited to this transaction only, and this Agreement shall not constitute a waiver or modification of any terms, provisions or requirements of the Loan Documents in any respect except as herein specifically set forth or as otherwise expressly agreed to by the Lender in writing, including any conditions to or fees which may be imposed for, and the right of Lender to require payments in the Loans in full upon, any future transfer or conveyance of the Property or any interest in Assuming Borrower.

12. No Implied Modifications. Except as otherwise stated in this Agreement, no provision of this Agreement shall be considered as modifying, releasing, altering or affecting the Loan Documents, the original priority of the Security Documents, or the rights, benefits, duties or obligations of the parties thereto.

13. Attorneys' Fees. The prevailing party in any arbitration or litigation concerning this Agreement shall be entitled to be paid its court costs and attorneys' fees by the party against whom judgment is rendered, including such costs and fees as may be incurred on appeal.

14. Assignments Prohibited. This Agreement may not be assigned by Original Borrower or Assuming Borrower in whole or in part, voluntarily or involuntarily (including a transfer to a receiver or bankruptcy estate), without the prior and express written consent of the Lender in each instance. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties and their respective heirs, successors and assigns.

15. Time of Performance. Time is of the essence of each and every term, covenant and condition hereof.

16. Waiver of Jury Trial. Each of the parties hereto waives any rights to a trial by jury in any action or proceeding to enforce or defend any rights (a) under this Agreement or any Loan Document, or (b) arising from any lending relationship existing in connection with this Agreement or any Loan Document, and each of such parties agrees that any such action or proceeding shall be tried before a judge and not before a jury.

17. Construction. This Agreement shall be construed in accordance with the laws of the State of Oregon (excluding choice-of-law principles). The terms of this Agreement have been mutually negotiated with each party having the opportunity to seek the advice of legal counsel and shall not be construed against any party. The headings in this Agreement are inserted solely for the purpose of convenience and shall not affect the interpretation of the provisions hereof. If any portion of this Agreement is held to be invalid by any court of competent jurisdiction, such ruling shall not affect the remaining terms hereof unless and to the extent it includes a specific determination that the fundamental purposes of this Agreement are thereby significantly impaired. The capitalized terms in this Agreement that are not otherwise defined herein shall have the meanings given to them in the Loan Documents. All sums referred to in this Agreement shall be calculated by and payable in the lawful currency of the United States. The Assuming Borrower's obligations under this Agreement

are secured by the Security Documents and any default under this Agreement shall constitute a default under the Loan Documents.

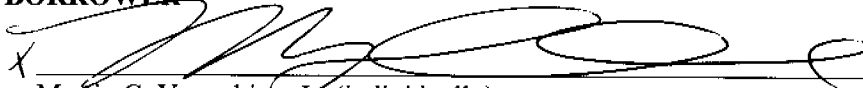
18. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto regarding the subject matter hereof, and no oral understandings, written agreements or representations exist which are in addition to or contradict or expand upon the terms herein set forth. No amendments, variations, waivers, modifications or changes to this Agreement shall be effective unless in writing and signed by each of the parties hereto subsequent to the date hereof.

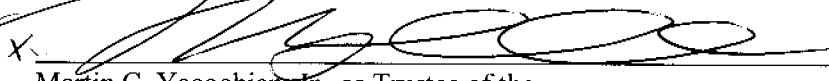
19. Counterparts. This Agreement may be executed in two or more counterparts, all of which shall constitute but one and the same instrument. The signature pages of exact copies of this Agreement may be attached to one copy to form one complete document. Each executed counterpart of this Agreement shall be deemed an original and may be recorded in any county in which any portion of the Property is located.

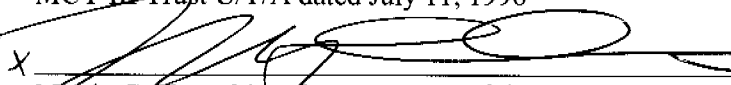
*[signatures on following page]*

In witness whereof, the parties execute this Agreement as of the date first written above:

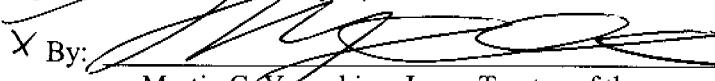
**ORIGINAL BORROWER**

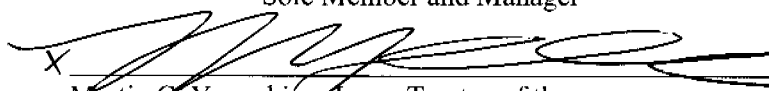
X   
Martin C. Yacoobian, Jr. (individually)

X   
Martin C. Yacoobian, Jr., as Trustee of the  
MCY III Trust U/T/A dated July 11, 1996

X   
Martin C. Yacoobian, Jr., as Trustee of the  
Martin Charles Yacoobian, III Trust U/T/A dated March 20, 1996

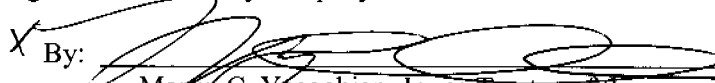
YACOOBIAN RANCH, LLC  
an Oregon limited liability company

X By:   
Martin C. Yacoobian, Jr., as Trustee of the  
MCY III Trust U/T/A dated July 11, 1996,  
Sole Member and Manager

X   
Martin C. Yacoobian, Jr., as Trustee of the  
Yacoobian Family Trust U/T/A dated July 21, 2005

**ASSUMING BORROWER**

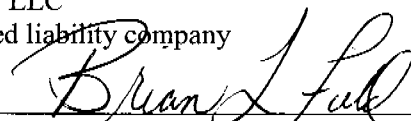
JUNIPER RIDGE ESTATES, LLC  
an Oregon limited liability company

X By:   
Martin C. Yacoobian, Jr., as Trustee of the  
Martin Charles Yacoobian, III Trust U/T/A dated March 20, 1996,  
Sole Member

By:   
Robert C. Mannheim, Manager

**LENDER**

DEMETER AG, LLC  
an Oregon limited liability company

By: 

Printed Name: Brian L. Field

Its: President

ACKNOWLEDGMENTS

STATE OF OREGON )  
County of Klamath )ss.

This instrument was acknowledged before me on March 28, 2012, by Martin C. Yacoubian, Jr.



Kristi L. Redd  
Notary Public for Oregon  
My commission expires: 11/16/2015

STATE OF OREGON )  
County of Klamath )ss.

This instrument was acknowledged before me on March 28, 2012, by Martin C. Yacoubian, Jr., as Trustee of the MCY III Trust U/T/A dated July 11, 1996.



Kristi L. Redd  
Notary Public for Oregon  
My commission expires: 11/16/2015

STATE OF OREGON )  
County of Klamath )ss.

This instrument was acknowledged before me on March 28, 2012, by Martin C. Yacoubian, Jr., as Trustee of the Martin Charles Yacoubian, III Trust U/T/A dated March 20, 1996.



Kristi L. Redd  
Notary Public for Oregon  
My commission expires: 11/16/2015

STATE OF OREGON )  
County of Klamath )ss.

This instrument was acknowledged before me on March 28, 2012, by Martin C. Yacoubian, Jr., as Trustee of the MCY III Trust U/T/A dated July 11, 1996, sole member and manager of Yacoubian Ranch, LLC, an Oregon limited liability company.



Kristi L. Redd  
Notary Public for Oregon  
My commission expires: 11/16/2015



STATE OF OREGON )  
County of Klamath )ss.

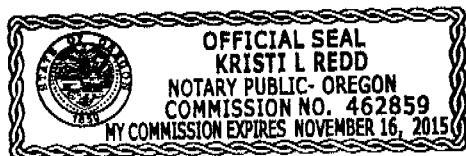
This instrument was acknowledged before me on March 28, 2012, by Martin C. Yacoubian, Jr., as Trustee of the Yacoubian Family Trust U/T/A dated July 21, 2005.



Kristi L. Redd  
Notary Public for Oregon  
My commission expires: 11/16/2015

STATE OF OREGON )  
County of Klamath )ss.

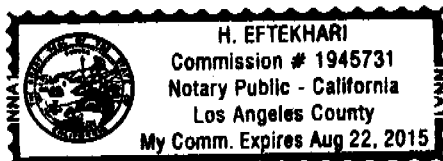
This instrument was acknowledged before me on March 28, 2012, by Martin C. Yacoubian, Jr., as Trustee of the MCY III Trust U/T/A dated July 11, 1996, sole member of Juniper Ridge Estates LLC, an Oregon limited liability company.



Kristi L. Redd  
Notary Public for Oregon  
My commission expires: 11/16/2015

STATE OF ~~OREGON~~ California )  
County of Los Angeles )ss.

This instrument was acknowledged before me on March 30, 2012, by Robert C. Mannheim, Manager of Juniper Ridge Estates LLC, an Oregon limited liability company.



H. Eftekhari  
Notary Public for Oregon California  
My commission expires: 08/22/2015

STATE OF OREGON                    )  
  )ss.  
County of Clackamas            )

This instrument was acknowledged before me on April 4, 2012, by  
Brian L. Field, as President of Demeter Ag, LLC, an Oregon  
corporation.



Royce Ann Simmons  
Notary Public for Oregon  
My commission expires: 6/19/12

## **EXHIBIT A**

### **Mortgage Property**

The land referred to in Policy is situated in the State of Oregon, County of Klamath and is described as follows:

**Parcel 1:** INTENTIONALLY OMITTED.

**Parcel 2:** INTENTIONALLY OMITTED.

**Parcel 3:** INTENTIONALLY OMITTED.

**Parcel 4:**

The East 120 feet of the NE1/4 NW1/4 of Section 13, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM any portion lying within the right of way of the Bonanza-Malin Highway.

**Parcel 5:**

Township 40 South, Range 11 East of the Willamette Meridian

Section 13: The W1/2, EXCEPTING THEREFROM the East 120 feet of the NE1/4 NW1/4; also that portion of the SW1/4 NE1/4 and the W1/2 SE1/4 lying Westerly of new Poe Valley-Malin Highway.

Section 14: NE1/4 NE1/4; S1/2 NE1/4; SE1/4; S1/2 SW1/4;

Section 23: N1/2 NE1/4; N1/2 NE1/4 NW1/4, EXCEPTING THEREFROM that portion of the SW1/4 NW1/4 NE1/4 lying Southerly of the fence as it exists along the roadway through Section 23, as described by instrument recorded August 6, 1992 in Volume M92, page 17492, Microfilm records of Klamath County, Oregon.

Section 24: N1/2 NW1/4; that portion of the NW1/4 NE1/4 and North 180 feet of SW1/4 NE1/4 lying West of the West line of Harpold County Road No. 1097.

**Parcel 6:**

A parcel of land situate in Section 23, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

That portion of the SE1/4 NE1/4 NW1/4 of said section which lies Northerly of the fence as it exists along the roadway.

**Parcel 7:** INTENTIONALLY OMITTED.

**Parcel 8:**

Government Lots 15, 16, 17 and 18 of Section 3, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, EXCEPT that portion conveyed to the United States of America by

Deed dated July 2, 1912, recorded July 6, 1912 in Volume 37, page 416, Deed Records of Klamath County, Oregon.

The SW1/4 and the SE1/4 of Section 3, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

A portion of Government Lots 19 and 20, Section 3, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the South line of Government Lot 19, Section 3, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, which is 505 feet West, more or less, from the Southeast corner of said Government Lot 19 and in the center of the irrigation ditch which intersects said South line of said Government Lot 19; thence continuing West along the South line of said Government Lot 19 a distance of 1492 feet; thence North parallel to the East line of said Government Lot 19 to the center of irrigation ditch; thence in a Northeasterly and Southerly direction to the point of beginning.

The NE1/4 of the SE1/4 of Section 4, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

The E1/2 of the NE1/4 and the NW1/4 of NE1/4 and the NE1/4 of the NW1/4 of Section 10, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

NW1/4 of the NW1/4 of Section 10, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

A tract of land situated in the SW1/4 of Section 2 and in the NW1/4 of Section 11, both in Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon and being more particularly described as follows:

Beginning at the NW corner of said Section 11; thence South 00°07'33" West on the West line of the NW1/4 of the NW1/4 of said Section 11, 1320.29 feet to the SW corner thereof; thence South 89°05'14" East on the South line of said NW1/4 of the NW1/4, 886.53 feet; thence North 24°55'46" East 1089.42 feet to a point on the South line of Schaupp Road; thence Northwesterly on the South line of said Schaupp Road, 1974.61 feet to its intersection with the West line of the SW1/4 of said Section 2; thence South 00°00'30" West on last said West line 1101.21 feet, more or less, to the point of beginning.

**Parcel 9:**

Lots 19 and 20 and N1/2 of SW1/4 in Section 2, Township 40 South, Range 11 East of the Willamette Meridian, LESS portions deeded to United States of America in Deed 37, page 628, and in Deed 38, page 512, Deed Records of Klamath County, Oregon, and further EXCEPTING that portion deeded to Wood River Investment Co., in Volume 84, page 216, Deed Records of Klamath County, Oregon.

Government Lot 14 and the S1/2 of Government Lot 11, in Section 2, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

ALSO, a parcel of land situated in Government Lots 5, 12 and 13 in Section 2 and Government Lots 8 and 9 in Section 3, Township 40 South, Range 11 East of the Willamette Meridian, more particularly described as follows:

Beginning at the North 1/16 corner common to said Section 2 and 3; thence North 1365.49 feet to a half inch pipe described in Volume 2, page 183, Klamath County Road Records; thence North 1350.00 feet to the TRUE POINT OF BEGINNING of this description; thence West 1367 feet, more or less, to the West line of said Government Lot 8; thence Southerly along the Westerly lines of said Government Lots 8 and 9, 1359.01 feet to a point in the centerline of Schaupp Road; thence North 89°37'20" East 1360.07 feet to said half inch pipe; thence South 1365.49 feet to said North 1/16 corner; thence South 89°04'32" East along the centerline of Bedfield Road as constructed, 1297.4 feet, more or less to the East line of Government Lot 13; thence Northerly along the East line of said Government Lots 13, 12 and 5, 2736.50 feet to a point; thence West 1279.40 feet to the TRUE POINT OF BEGINNING.

SAVING AND EXCEPTING any portion in Volume M77, page 3655, Microfilm Records of Klamath County, Oregon.

ALSO, beginning at the NW corner of the SW1/4 of the SE1/4 of Section 2, Township 40 South, Range 11 East of the Willamette Meridian; thence Southwesterly along the West line of an old farm road to the County Road or Highway 2027 feet to an iron pin; thence Northwesterly along the North line of said Highway 2300 feet, more or less, to the Southwest corner of the NW1/4 of the SW1/4 of said Section 2; thence Easterly along the South line of the N1/2 of the SW1/4 of said Section 2, to the point of beginning.

A portion of the SW1/4 of the SE1/4 of Section 15, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeast corner of said SW1/4 of SE1/4 and running thence North 360 feet; thence West 800 feet; thence South 350 feet, more or less to the South line of said SW1/4 of the SE1/4; thence Easterly 800 feet, more or less to the point of beginning.

The E1/2 of the SE1/4 of Section 10 and the W1/2 of the SW1/4 of Section 11, and the NW1/4 of the NW1/4 of Section 14 and the E1/2 of the E1/2 of Section 15, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.