After Recording Return to:

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Klamath County, Oregon

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ASSIGNMENT OF LESSOR'S INTEREST IN RENTS AND LEASES

THIS ASSIGNMENT OF LESSOR'S INTEREST IN RENTS AND LEASES (the "Assignment") is made effective the 11th day of September 2014, by SKY LAKES SNF, LLC, a California limited liability company (the "Assignor"), in favor of BOKF, NA dba BANK OF OKLAHOMA, having its principal office at 201 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102 (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor is indebted to the Assignee in the aggregate sum of FOUR MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS (\$4,600,000.00) as evidenced by a certain Promissory Note of even date herewith in the principal face amount of \$4,600,000.00 signed by Assignor in favor of the Assignee (the "Note"), which Note is issued pursuant to the terms of a certain Loan Agreement of even date herewith (the "Loan Agreement") between the Assignor and the Assignee;

Agreement") between the Assignor and the Assignee;

WHEREAS, the Assignor as mortgagor has granted to the Assignee a lien created by a certain Oregon Deed of Trust, Security Agreement and Financing Statement bearing even date herewith (the "Deed of Trust") covering Assignor's leasehold interest in the real property located in Klamath County, Oregon described at Exhibit "A" hereto, together with all buildings and improvements now or hereafter located thereon (the "Mortgaged Premises");

NOW, THEREFORE, to secure to the Assignee the payment of (a) all indebtedness evidenced by the Note, (b) all renewals and modifications thereof; (c) all other amounts secured hereby and advanced hereunder, (d) the performance of all covenants contained herein, (e) all future advances and interest on all of the foregoing, and (f) all expenses of collection thereof, including reasonable attorneys' fees and expenses, the Assignor does hereby grant, bargain, sell, convey and convey to the Assignee that certain Sublease and Purchase Option Agreement dated November 7, 2002 signed by Plum Ridge Care Community, LLC ("Plum Ridge"), as sublandlord, and Marquis Companies I, Inc., as sub-tenant, as amended, and as subsequently assigned by Plum Ridge to Assignor pursuant to that certain Assignment of Leasehold Interest and Consent to Assignment and Mortgage Assumption and Release dated March 29, 2012, and all other leases, subleases, rental contracts and other agreements relating to the use or occupancy of all or any part of the Mortgaged Premises, whether now existing or hereafter arising and whether entered into by any of the Assignor or any successor or assign of any of the Assignor (collectively, the "Leases"); all rents, receipts, revenues, income, issues and profits now or hereafter payable to or received by any of the Assignor or any successor or assign of any of the Assignor under the Leases, including, without implied limitation, minimum rent, percentage rent, additional rent, reimbursements for taxes, insurance premiums, maintenance or operating expenses; all guaranties of the payment of the Leases; all rights under the Leases held by any of the Assignor and all of the Assignor's successors and assigns; all proceeds now or hereafter payable to any of the Assignor or any of Assignor's successors or assigns under any policy of insurance against loss of rents or business interruption relating to the Mortgaged Premises; and all rights, claims and demands which any of the Assignor or any of Assignor's successors or assigns might now or hereafter have against any tenant, subtenant, assignee or other occupant of the Mortgaged Premises (the Leases and all of the other foregoing property are referred to herein as the "Rents and Leases").

TO HAVE AND TO HOLD the Rents And Leases unto the Assignee, the Assignee's successors and assigns, forever; SUBJECT, however, to a license hereby granted to the Assignor and the Assignor's successors and assigns to perform the obligations of the landlord under the Leases, and to collect rents payable under the Rents And Leases subject to the provisions of Section 4 hereof and the other provisions hereof:

- 1. Assignor's Warranties. The Assignor hereby represents and warrants that the Assignor has or will obtain good title to the Rents and Leases and good right to assign the same; no person other than the Assignor and the respective tenants thereunder, and any lenders of any such tenants, has or will have any right, title or interest in the Rents and Leases; the Assignor will punctually perform all the terms of the Leases on the Assignor's part to be performed; the Leases will not be materially modified without the Assignee's prior written consent; all of the Leases will be valid and will remain in full force and effect; except for any assignment to Assignee or any assignment that has been extinguished or terminated, the Assignor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the rents now or hereafter due thereunder; the rents to accrue under the Leases have not been collected, anticipated, waived, released, discounted, set off, or otherwise discharged or compromised; the Assignor has not received any funds or deposits from any tenant for which credit is to be made on account of rents to accrue; the tenants under the Leases are not in default of any of the terms thereof; and, except to the extent required by the Assignee, the Assignor has not permitted the subordination of any of the Leases to the lien of any encumbrance.
- Assignor's Performance. The Assignor agrees that the Assignor will: observe, perform 2. and discharge, duly and punctually, all of the terms of the Leases on the part of the Assignor to be performed; give prompt notice to the Assignee of any failure or inability on the part of any of the Assignor to perform any of the Assignor's obligations under the Leases; promptly provide to the Assignee copies of any notice, demand or other document received by the Assignor from any tenant specifying any default claimed to have been made by the Assignor under the Leases; after Assignee gives tenant written notice that a Default has occurred under the Loan Agreement (which term "Default" will have the same meaning herein as such term is defined in the Loan Agreement), Assignee may direct in writing that each tenant under the Leases thereafter make all rental payments and deposits to the Assignee; enforce the performance of each obligation of each tenant under the Leases and notify the Assignee of the occurrence of any default by any tenant under the Leases; appear in and defend any action or proceeding arising under the Leases; not create or permit to be created any lien, charge or encumbrance of the Rents and Leases, except the liens created or permitted by this Assignment or the Deed of Trust.
- 3. Actions Affecting Leases. The Assignor agrees that unless the Assignee otherwise consents in writing, the Assignor will not: waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any tenant or guarantor from any obligation under the Leases (except in connection with the Assignor's enforcement of

rights against a tenant or guarantor in default); permit the cancellation, termination or surrender of any of the Leases (except in connection with the Assignor's enforcement of rights against a tenant in default); commence an action of ejectment or any summary proceedings for dispossession of the tenant under any of the Leases or exercise any right of recapture provided in any of the Leases (except in connection with the Assignor's enforcement of rights against a tenant in Default); materially modify or in any material way alter the terms of any of the Leases; except as permitted in the Loan Agreement consent to any subletting or assignment under the Leases the effect of which would be to relieve the original tenant or any guarantor from liability thereunder unless the right to sublet or assign was originally reserved by the tenant thereunder and originally approved by Assignee; or permit the subordination of the Leases to the lien created by any encumbrance other than an encumbrance in favor of the Assignee.

Payment of Rentals. Until a Default occurs under the Loan Agreement, the Assignor will collect rents payable under the Rents and Leases for its own account and deposit such rents in the Assignor's operating account during the entire term of the debt secured hereby (the "Account"), and use the funds in the Account first to pay all debt service payments then currently due and owing under the Notes, and to the extent any excess funds are remaining at the end of each month, to pay all operating expenses attributable to the Mortgaged Premises. After the occurrence of a Default, the Assignee may collect, demand, receive, sue for, attach and levy against such rents in the Assignee's name, give proper receipts, releases and acquittances therefor and apply the proceeds thereof to the interest and principal owing by Assignor to Assignee and all expenses of collection thereof.

In the event of a Default, the Assignee will be entitled to take any action with respect to the Leases which the Assignor would otherwise have been entitled to take, and do any act and incur any expenses which the Assignee deems proper to protect the security hereof. At any time after the Assignor's Default under the Loan Agreement, the Assignor's license to collect rents will be automatically terminated without notice, and the Assignee will be entitled to (a) require the Assignor to transfer to the Assignee any security deposits made by any tenant under any of the Leases and all records evidencing rental payments and deposits relating to the Mortgaged Premises; (b) direct all tenants under the Leases to pay all rentals owing thereunder in the name of and directly to the Assignee; and (c) transfer all funds then or thereafter deposited in the Account to the Assignee to be applied to the debt owing under the Notes, and otherwise described above, and in connection therewith the Assignor hereby grants Assignee a power of attorney to endorse checks, and transfer funds from the Account to the Assignee for application to the Notes, which power is coupled with an interest and is irrevocable but shall terminate concurrently with the termination and release of this Assignment.

5. Notice to Tenants. The Assignor hereby authorizes the Assignee to give notice in writing of this Assignment at any time to any tenant under any of the Leases. Each tenant under the Leases and all other persons are hereby authorized to rely on any demand by the Assignee for payment of rents in the name of and directly to the Assignee pursuant to the terms hereof. The written demand by the Assignee will be sufficient direction to any tenant or other person to make future payments of rents to the Assignee without the

necessity for further consent by or notice to the Assignor and the Assignor agrees that any tenant complying with such demand will incur no liability by reason of the payment of rent to the Assignee in accordance with such demand.

- 6. <u>Subordination</u>. The Assignor authorizes the Assignee and each tenant under the Leases on Assignee's request to execute and deliver such subordination agreements, nondisturbance agreements, attornment agreements and other like instruments as the Assignee, in the Assignee's sole discretion, determines to be desirable in order to establish the priority of the rights of the tenants under the Leases and of the Assignee under the Deed of Trust and this Assignment. The Assignor agrees that each of the tenants will be required under the Leases to execute such instruments on the request of Assignor.
- 7. Rejection of Leases. The Assignor agrees in the event any of the Leases is rejected by reason of any proceeding under any federal or state insolvency or bankruptcy statute permitting the termination or rejection of any of the Leases, no settlement will be made without the prior written consent of the Assignee.
- 8. No Merger. The fact that the Leases or the leaseshold estate created thereby might be held directly or indirectly, by or for the account of any person or entity which might have an interest in any other estate in the Mortgaged Premises will not, by operation of law or otherwise, merge any of the Leases or the Leaseshold estate created thereby with any other estate in the Mortgaged Premises so long as the indebtedness hereby secured remains unpaid, unless the Assignee consents in writing to such merger.
- 9. <u>Indemnity</u>. The Assignee will not be obligated to perform or discharge any obligation under the Leases by reason of this Assignment. The Assignor hereby agrees to indemnify the Assignee against and hold the Assignee harmless from all liability, loss, or damage which the Assignee might incur under the Leases or by reason of this Assignment and from all claims and demands whatsoever which might be asserted against the Assignee by reason of any alleged obligation or undertaking on the Assignee's part to perform or discharge any of the terms of the Leases. If the Assignee incurs any such liability, loss or damage, the amount thereof, including costs, expenses and reasonable attorneys' fees, will be secured hereby and by the Deed of Trust, and the Assignor will reimburse the Assignee therefor immediately on demand. The acceptance by the Assignee of this Assignment will not be deemed to constitute the Assignee a "mortgagee in possession" or to obligate the Assignee to appear in or defend any action or proceeding relating to the Leases or to the Mortgaged Premises, or to take any action hereunder, or to incur any expenses or perform any obligation under the Leases or to assume any obligation for any deposits delivered to the Assignor by any tenant thereunder. It is specifically understood that the Assignor does not hereby indemnify the Assignee from liability for any negligent or willful act or failure to act of the Assignee which occurs after the Assignee takes possession or control of the Mortgaged Premises.
- 10. <u>Cumulative Remedies</u>. The rights of the Assignee contained in this Assignment will be separate, distinct and cumulative, and no right or remedy herein provided is intended to be in exclusion of any other created by this Assignment or any other instrument

evidencing or securing payment of the indebtedness hereby secured. No act of the Assignee will be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. In the event of any Default hereunder, the Assignee will be entitled to selectively and successively enforce the Assignee's rights under any one or more of the instruments evidencing or securing payment of the indebtedness hereby secured, and such action will not be deemed a waiver or discharge of any other lien or encumbrance securing such indebtedness until such time as the Assignee shall have been paid in full all sums owing to the Assignee. In addition to any other rights hereunder, the Assignee will have the right to institute suit and obtain injunctive relief to enforce the agreements of the Assignor contained herein.

- 11. <u>Termination of Assignment</u>. On the payment in full of all indebtedness hereby secured, as evidenced by the recording of a full release of the Deed of Trust without the recording of another deed of trust in favor of the Assignee affecting the Mortgaged Premises, this Assignment will become and be void and of no effect.
- 12. <u>Notice</u>. Every provision for notice contained in this Assignment will be deemed fulfilled and received by written notice personally delivered to any person who at the time of giving such notice holds record title to the Mortgaged Premises, or on the day a facsimile transmission is sent to the last fax number provided by the parties hereto to each other and confirmed as received, or by certified mail, return receipt requested addressed to such person in accordance with the Loan Agreement. Any mailed notice will be deemed to be received by the addressee on the date three (3) business days after mailing.
- Other Documents. Simultaneously with the execution and delivery of this Assignment as additional security for payment of the indebtedness hereby secured, the Assignor has executed and delivered or caused to be executed and delivered to the Assignee the Loan Agreement, the Note, the Deed of Trust and certain other Loan Documents all of even date herewith (which term "Loan Documents" will have the same meaning herein as such term is defined in the Loan Agreement). The Assignor agrees that if a default occurs under the Loan Agreement, the Notes, the Deed of Trust or under any of the Loan Documents, such event will constitute a Default under this Assignment which will entitle the Assignee, at the Assignee's option, to exercise any one or more of the rights and remedies of the Assignee herein provided.
- 14. Construction. Wherever used in this Assignment: the word "Assignment" means "this instrument and all increases, extensions, modifications, renewals, consolidations and amendments hereof"; the word "Leases(s)" means "any agreement between the Assignor as lessor and any other person for the use, occupancy or possession of all or any part of the Mortgaged Premises"; the word "Deed of Trust" means "the Deed of Trust herein described and all increases, extensions, modifications, renewals, consolidations and amendments thereof"; the words "Mortgaged Premises" mean "the items of real and personal property now owned or hereafter acquired by the Assignor to the extent described in the Deed of Trust or herein and all future additions to, increases of, replacements and substitutions for and proceeds and products thereof"; the word "Assignee" means "the person named herein as Assignee or any subsequent holder or

holders of this Assignment"; the word "Assignor" means "the then owner or owners of an interest in the Mortgaged Premises and such persons' legal representatives, successors and permitted assigns"; the word "Notes" means "the Promissory Notes described herein, payment of which is secured by this Assignment and all increases, extensions, modifications, renewals, consolidations and amendments thereof"; and the word "person" means "any individual, corporation, partnership, association, trust, joint venture or any government or agency or political subdivision thereof." The paragraph headings of this Assignment are included for convenience in reference and are not intended to define, limit or modify the terms of this Assignment. If any provision of this Assignment is held to be invalid, illegal or unenforceable in any respect or application, for any reason, such invalidity, illegality or unenforceability will not affect the other provisions herein contained, and such other provisions will remain in full force and effect. Assignment is intended to create rights between the Assignor and the Assignee and is not intended to confer rights on any other person or to constitute such person a third party beneficiary hereunder. This Assignment will be binding on the Assignor and all successors and permitted assigns of the Assignor and will inure to the benefit of the Assignee and all successors and assigns of the Assignee. This Assignment will be jointly and severally binding on each person comprising the Assignor.

- 15. Governing Law. The parties hereto agree that this Assignment will be construed according to the laws of the State of Oregon. All actions with respect to this Assignment may be instituted in any state or federal court located in Oklahoma County, Oklahoma or Klamath County, Oregon, as the Assignee might elect, and by execution and delivery of this Assignment, the Assignor, jointly and severally, irrevocably and unconditionally submit to the jurisdiction (both subject matter and personal of each such court) and irrevocably and unconditionally waive: (a) any objection the undersigned might now or hereafter have to the venue in any of such courts; (b) any claim that any action or proceeding brought in any of such courts has been brought in an inconvenient forum; and (c) the right to trial by jury.
- 16. <u>Alteration</u>. This Assignment cannot be changed except by an agreement in writing signed by the Assignor and the Assignee.
- 17. <u>Counterparts</u>. This Assignment may be executed in two or more counterparts, each of which will be an original instrument, but all of which taken together will constitute one agreement.
- 18. <u>Survival</u>. All representations and warranties contained herein will survive the execution hereof and continue until all indebtedness owing by Assignor to Assignee has been paid in full.

IN WITNESS WHEREOF, the Assignor has duly executed and delivered this instrument effective the date first written above.

SKY LAKES SNF, LLC, a California limited liability company

By: RBD CAPITAL GROUP, LLC, a California

limited liability company, Manager

By: WILLIAM M. BRYAN, Managing

Member

(the "Assignor")

ACKNOWLEDGMENT

STATE OF <u>California</u>	<i>;</i>)	
COUNTY OF LOS ANGELES	_)	SS:

On this loth day of September, 2014, before me, a notary public, personally appeared WILLIAM M. BRYAN, Managing Member of RBD CAPITAL GROUP, LLC, a California limited liability company, Manager of SKY LAKES SNF, LLC, a California limited liability company, and being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as such officer.

(SEAL)

Notary Public ()

My Commission Expires:_

4/3/15

My Commission Number: _

ROBIN REGINA DA VINCI
Commission # 1927994
Notary Public - California
Los Angeles County

My Comm. Expires Apr 3, 2015

Exhibit "A"

Legal Description

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

PARCEL I:

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 17.40 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.

PARCEL II:

A RECIPROCAL ACCESS EASEMENT OVER THE FOLLOWING DESCRIPBED PROPERTY:

A STRIP OF LAND 30 FEET IN WIDTH SITUATED IN THE SW 1/4 OF THE NE 1/4 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 S1°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 SURVE 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 SW 1/4 NE 1/4 OF SECTION 20 AND AT SAID EASTERLY RIGHT OF WAY OF DAGGETT AVENUE.