

2020-006267

Klamath County, Oregon

05/20/2020 01:26:07 PM

Fee: \$147.00

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

Nathan A. Felker, Esq.
Walter | Haverfield LLP
The Tower at Erieview
1301 E. 9th Street, Suite 3500
Cleveland, Ohio 44114

ASSIGNMENT OF LEASES AND RENTS

DATED AS OF

MAY 20, 2020

FROM

KLAMATH FALLS BTS RETAIL, LLC,
an Oregon limited liability company

TO

CIVISTA BANK,
an Ohio banking corporation

ASSIGNMENT OF LEASES AND RENTS

This *Assignment of Leases and Rents* (“Assignment”), made this 20th day of May, 2020 (the “Effective Date”), by **KLAMATH FALLS BTS RETAIL, LLC**, an Oregon limited liability company, whose address is 14600 Detroit Avenue, #1500, Lakewood, Ohio 44107 (“Assignor”), to **CIVISTA BANK**, an Ohio banking corporation (“Lender”), with a place of business and address at 100 E. Water Street, Sandusky, Ohio 44870.

RECITALS:

FOR VALUE RECEIVED, Assignor hereby grants, transfers and assigns to Lender all of the right, title and interest of Assignor in and to all leases, licenses or other occupancy agreements now or hereafter entered into whether oral or written which demise any portion of the real estate in the City of Klamath Falls, Klamath County, Oregon described in **Exhibit A**, attached hereto (“Premises”), together with any and all extensions and renewals thereof (all such leases being hereinafter collectively referred to as the “Leases”), together with any guarantees of the tenants’ obligations thereunder, together with the immediate and continuing right to collect and receive all rents, revenues, income, payments, issues and profits arising from the Leases or out of the Premises or any part thereof, together with the right to all proceeds payable to Assignor pursuant to any purchase options on the part of the tenants under the Leases, together with all payments derived therefrom including but not limited to claims for the recovery of damages done to the Premises or for the abatement of any nuisance existing thereon, claims for damages resulting from default under said Leases whether resulting from acts of insolvency or acts of bankruptcy or otherwise, and lump sum payments for the cancellation of said Leases or the waiver of any obligation or term thereof prior to the expiration date and the return of any insurance premiums or ad valorem tax payments made in advance and subsequently refunded (collectively referred to as the “Rents”), all for the purpose of securing the following (collectively referred to as the “Indebtedness”):

(a) Payment of the indebtedness evidenced by that certain *Promissory Note* (as amended, extended, or renewed from time to time, the “Note”) in the principal sum of up to One Million Six Hundred Twenty-Three Thousand Six Hundred Twenty and 00/100 Dollars (\$1,623,620.00) dated as of the Effective Date, executed and delivered by Assignor and AZ-3 BTS Retail, LLC, and payable to the order of Lender, secured by that certain Deed of Trust (“Security Instrument”) of same date from Assignor to Lender upon the Premises, filed for record in the County of Klamath, State of Oregon.

(b) Payment of all other sums with interest thereon becoming due and payable to Lender pursuant to the terms of this Assignment, the Note, the Security Instrument and that certain *Construction Loan Agreement*, dated February 27, 2019, between AZ-3 BTS Retail, LLC, other Borrowers (as defined in the Loan Agreement) and Lender (the “Loan Agreement”), whereby Assignor joined as a Borrower (as defined in the Loan Agreement) to such Loan Agreement

pursuant to that certain *Joinder to Construction Loan Agreement* dated of even date herewith; and

(c) Performance and discharge of each and every obligation, covenant and agreement of Assignor pursuant to the terms of this Assignment, the Loan Agreement, the Note, the Security Instrument.

AND ASSIGNOR FURTHER AGREES, ASSIGNS AND COVENANTS:

1. Leases. Assignor will, at its own cost and expense, perform, comply with and discharge all of the obligations of Assignor under any Leases and use its best efforts to enforce or secure the performance of each obligation and undertaking of the respective tenants under any such Leases and will appear in and defend, at its own cost and expense, any action or proceeding arising out of or in any manner connected with Assignor's interest in any Leases pertaining to the Premises. Assignor will not modify, extend, renew, terminate, accept a surrender of, or in any way alter the terms of the Leases, nor borrow against, pledge or assign any Rents due under the Leases nor consent to a subordination or assignment of the interest of a tenant thereunder to any party other than Lender, nor anticipate the Rents thereunder for more than one (1) month in advance or reduce the amount of Rents and other payments thereunder, nor waive, excuse, condone or in any manner release or discharge a tenant of or from any obligations, covenants, conditions and agreements to be performed nor incur any indebtedness to a tenant, nor enter into any additional Leases of all or any part of the Premises without the prior written consent of Lender. Assignor shall promptly notify Lender of default by tenants of the Premises.

2. Protect Security. At Assignor's sole cost and expense, to appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of the lessor thereunder, and to pay all costs and expenses of Lender, including attorneys' fees, in any such action or proceeding in which Lender in its sole discretion may appear.

3. Representations. Assignor represents and warrants as of the date hereof that: (a) it has good title to the Leases with full right to assign the same and the Rents due thereunder; (b) the Leases are valid, enforceable, in full force and effect and have not been modified or amended; (c) there are no outstanding assignments or pledges of the Leases or Rents due thereunder; (d) there are no existing defaults under the provisions of the Leases on the part of any party thereto; (e) no Rents have been waived, anticipated, discounted, setoff, compromised, discharged or released; and (f) the tenants under the Leases have no defenses, setoffs, or counterclaims against Assignor.

4. Present Assignment. This Assignment shall constitute a perfected, absolute and present assignment of the Leases and Rents. Lender hereby grants a license to Assignor to collect all of the Rents, but not prior to accrual, and to retain, use and enjoy the same unless and until an Event of Default (as defined in Section 5, below) shall occur. Except as otherwise provided in

this Assignment, Assignor hereby releases and surrenders to Lender all rights to amend, modify or in any way alter the Leases without the prior written consent of Lender.

5. Event of Default and Remedies. Assignor's failure to comply with any of the provisions, conditions, or covenants contained in this Assignment within any grace period described herein, or the occurrence of an Event of Default (as defined in the Loan Agreement) shall constitute an Event of Default under the terms of this Assignment (hereinafter referred to as the "Event of Default"). The license granted Assignor hereunder to collect the Rents, shall be automatically revoked upon an Event of Default, and Lender may, at its option, without notice, and without regard to waste, adequacy of the security or insolvency of Assignor, either:

(a) in person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require Assignor to give, notice to the tenants under the Leases authorizing and directing the tenants to pay all Rents directly to Lender; collect all of the Rents; enforce the payment thereof and exercise all of the rights of Assignor under the Leases and all of the rights of Lender hereunder; and may enter upon, take possession of, manage and operate the Premises, or any part thereof; may cancel, enforce or modify the Leases, and fix or modify Rents, and do any acts which Lender deems proper to protect the security hereof; or

(b) apply for appointment of a receiver as a matter of right and without notice in accordance with the statutes and law made and provided for, which receivership Assignor hereby consents to, who shall collect the Rents; manage the Premises so as to prevent waste; execute Leases within or beyond the period of receivership; perform the terms of this Assignment and apply the Rents as hereinafter provided.

The entering upon and taking possession of such Premises, the appointment of a receiver, the collection of such Rents and the application thereof as aforesaid shall not cure or waive any Event of Default or waive, modify or affect notice of default under the Security Instrument or invalidate any act done pursuant to said notice, nor in any way operate to prevent Lender from pursuing any remedy which now or hereafter it may have under the terms and conditions of the Security Instrument or the Note secured thereby or any other instruments securing the same. The rights and powers of Lender hereunder shall remain in full force and effect, both prior to and after any foreclosure of the Security Instrument, and any sale pursuant thereto and until expiration of the period of redemption from said sale, regardless of whether a deficiency remains from said sale. The purchaser at any foreclosure sale, including Lender, shall have the right, at any time and without limitation, to advance money to any receiver appointed hereunder to pay any part or all of the items which the receiver would otherwise be authorized to pay if cash were available from the Premises and the sum so advanced, with interest at the Default Rate (as defined in the Loan Agreement) shall be a part of the sum required to be paid to redeem from any foreclosure sale.

6. Application of Rents. Any Rents shall be applied to the following items in such order as Lender shall deem proper in its sole discretion: (a) to payment of all fees of any receiver appointed hereunder; (b) to payment of reasonable attorneys' fees and all other costs and expenses incurred incident to taking and retaining possession of the Premises; (c) to payment when due of prior or current real estate taxes or special assessments with respect to the Premises or, if the Security Instrument so requires, to the periodic escrow for payment of the taxes or special assessments then due; (d) to payment when due of premiums for insurance of the type required by the Loan Agreement or, if the Security Instrument so requires, to the periodic escrow for the payment of premiums then due; (e) to payment of all expenses necessary for managing and securing the Premises, including without being limited thereto, the salaries, fees and wages of a managing agent and such other employees or agents as may be necessary or desirable and all expenses of operating and maintaining the Premises; (f) to payment of all costs of any alterations, renovations, repairs or replacements of any improvements on the Premises, including the completion of any construction on the Premises; and (g) to payment of all or any portion of the Indebtedness which has become due and payable in such order as Lender may determine.

7. No Liability for Lender. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty or liability under said Leases, nor shall this Assignment operate to place responsibility for the control, care, management or repair of the Premises upon Lender, nor for the carrying out of any of the terms and conditions of said Leases; nor shall it operate to make Lender responsible or liable for any waste committed on the Premises, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of said Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger, nor liable for laches or failure to collect the Rents, and Lender shall be required to account only for such moneys as are actually received by it. All actions taken by Lender pursuant to this Assignment shall be taken for the purposes of protecting Lender's security, and Assignor hereby agrees that nothing herein contained and no actions taken by Lender pursuant to this Assignment, including, but not limited to, Lender's approval or rejection of any Lease for any portion of the Premises, shall in any way alter or impact the obligation of Assignor to pay the Indebtedness. Assignor hereby waives any defense or claim that may now exist or hereinafter arise by reason of any action taken by Lender pursuant to this Assignment unless such claim results from the gross negligence or willful misconduct of Lender, its agents, contractors or employees.

8. Assignor to Hold Lender Harmless. Assignor shall and does hereby agree to indemnify and to hold Lender harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases, unless such claim results from the gross negligence or willful misconduct of Lender, its agents, contractors or employees. Should Lender incur any such liability, or any costs or expenses in the defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be secured

hereby, shall be added to the Indebtedness and Assignor shall reimburse Lender therefor immediately upon demand, and the continuing failure of Assignor so to do shall constitute a default hereunder and an Event of Default under the Loan Agreement.

9. Security Deposits. Assignor agrees on demand to transfer to Lender any security deposits held by Assignor under the terms of the Leases. Assignor agrees that such security deposits may be held by Lender without any allowance of interest thereon, except statutory interest accruing to the benefit of the tenants, and shall become the absolute property of Lender upon an Event of Default, to be applied in accordance with the provisions of the Leases. Until Lender makes such demand and the deposits are paid over to Lender, Lender assumes no responsibility to the tenants for any such security deposit.

10. Authorization to Tenants. The tenants under the Leases are hereby irrevocably authorized and directed to recognize the claims of Lender or any receiver appointed hereunder without investigating the reason for any action taken by Lender or such receiver, or the validity or the amount of indebtedness owing to Lender, or the existence of any default under the Note, the Loan Agreement, or under or by reason of this Assignment, or the application to be made by Lender or receiver. Assignor hereby irrevocably directs and authorizes the tenants to pay to Lender or such receiver all sums due under the Leases and consents and directs that said sums shall be paid to Lender or any such receiver in accordance with the terms of its receivership without the necessity for a judicial determination that a default has occurred hereunder or under the Loan Agreement or that Lender is entitled to exercise its rights hereunder, and to the extent such sums are paid to Lender or such receiver, Assignor agrees that the tenants shall have no further liability to Assignor for the same. The sole signature of Lender or such receiver shall be sufficient for the exercise of any rights under this Assignment and the sole receipt of Lender or such receiver for any sums received shall be a full discharge and release therefor to any such tenants or occupants of the Premises. Checks for all or any part of the Rents collected under this Assignment shall upon notice from Lender or such receiver be drawn to the exclusive order of Lender or such receiver.

11. Satisfaction. Upon the payment in full of all Indebtedness as evidenced by a recorded satisfaction of the Security Instrument executed by Lender, or its subsequent assign, this Assignment shall without the need for any further satisfaction or release become null and void and be of no further effect.

12. Lender Creditor of the Tenants Upon Bankruptcy. Upon or at any time during the continuance of an Event of Default, Assignor agrees that Lender, and not Assignor, shall be, and be deemed to be, the creditor of the tenants in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such tenants (without obligation on the part of Lender, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditors' rights therein, and reserving the right to Assignor to make such filing in such event) including without limitation, the right to file and prosecute, to the exclusion of Assignor, any proofs of claim, complaints,

motions, applications, notices and other documents, in any case in respect of the tenant under a Lease under the U.S. Bankruptcy Code. Lender shall have the option to apply any money received by Lender as such creditor in reduction of the Indebtedness.

13. Assignor Bankruptcy. If there shall be filed by or against Assignor a petition under the U.S. Bankruptcy Code, and Assignor, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the U.S. Bankruptcy Code, then Assignor shall give Lender not less than ten (10) days' prior notice of the date on which Assignor shall apply to the bankruptcy court for authority to reject the Lease. Lender shall have the right, but not the obligation, to serve upon Assignor within such ten-day period a notice stating that: (i) Lender demands that Assignor assume and assign the Lease to Lender pursuant to Section 365 of the U.S. Bankruptcy Code; and (ii) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender serves upon Assignor the notice described in the preceding sentence, Assignor shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Lender of the covenant provided for in clause (ii) of the preceding sentence.

14. Lender Attorney-In-Fact. Assignor hereby irrevocably appoints Lender and its successors and assigns as its agent and attorney-in-fact, which appointment is coupled with an interest, to exercise any rights or remedies hereunder and to execute and deliver during the term of this Assignment such instruments as Lender may deem reasonably necessary to make this Assignment and any further assignment effective.

15. Subsequent Leases. Until the Indebtedness shall have been paid in full, Assignor will deliver to Lender executed copies of any and all other and future Leases upon all or any part of the said Premises and agrees to make, execute and deliver unto Lender upon demand and at any time or times, any and all assignments and other instruments sufficient to assign the Leases and the Rents thereunder to Lender or that Lender may deem to be advisable for carrying out the true purposes and intent of this Assignment. From time to time on request of Lender Assignor agrees to furnish Lender with a rent roll of the Premises disclosing current tenancies, rents payable, and such other matters as Lender may request.

16. General Assignment of Leases and Rents. The rights contained in this Assignment are in addition to and shall be cumulative with the rights given and created in Section 19 of the Security Instrument, assigning generally all leases, rents and profits of the Premises and shall in no way limit the rights created thereunder. The granting of this Assignment is a condition precedent to Lender's making of the Loan secured hereby. To the extent that the terms of the Security Instrument are inconsistent with the terms of this Assignment, the terms of this Assignment shall control.

17. No Mortgagee in Possession. Nothing herein contained and no actions taken pursuant to this Assignment shall be construed as constituting Lender a "Mortgagee in Possession."

18. Continuing Rights. The rights and powers of Lender or any receiver hereunder shall continue and remain in full force and effect until all Indebtedness, including any deficiency remaining from a foreclosure sale, are paid in full, and shall continue after commencement of a foreclosure action and, if Lender be the purchaser at the foreclosure sale, after foreclosure sale and until expiration of the equity of redemption.

19. Time of the Essence. Time is of the essence with regard to the performance of the obligations of Assignor in this Assignment and each and every term, covenant and condition herein by or applicable to Assignor.

20. Governing Law. This Assignment shall be governed by the law of the jurisdiction in which the Premises is located, except to the extent pre-empted by Federal laws without reference to the choice of law or conflicts of law principles of that State. In the event that any provision or clause of this Assignment conflicts with applicable law, such conflict shall not affect other provisions of this Assignment, which can be given effect without the conflicting provision, and to this end the provisions of the Assignment are declared to be severable.

21. Jurisdiction. The parties hereto irrevocably: (a) agree that any suit, action or other legal proceeding arising out of or relating to this Assignment may be brought in a court of record in the state or commonwealth in which the Premises is located or in the courts of the United States of America located in such state or commonwealth; (b) consent to the non-exclusive jurisdiction of each such court in any suit, action or proceeding; and (c) waive any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Nothing contained herein shall prevent Lender from bringing any action or exercising any rights against any security given to Lender by Assignor, or against Assignor personally, or against any property of Assignor, within any other state. Commencement of any such action or proceeding in any other state shall not constitute a waiver of the agreement as to the laws of the state or commonwealth which shall govern the rights and obligations of Assignor and Lender hereunder.

22. Captions. The captions to the sections of this Assignment are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary, by implication or otherwise, any of the provisions of this Assignment.

23. Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be given in the manner prescribed in the Loan Agreement.

24. Severability. The parties hereto intend and believe that each provision of this Assignment comports with all applicable local, state and federal laws and judicial decisions.

However, if any provision or any portion of any provision contained in this Assignment is held by a court of law to be invalid, illegal, unlawful, void or unenforceable as written in any respect, then it is the intent of all parties hereto that such portion or provision shall be given force to the fullest possible extent that it is legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion or provision was not contained therein, and the rights, obligations and interests of Assignor and Lender under the remainder of this Assignment shall continue in full force and effect.

25. Successors and Assigns. This Assignment and each and every covenant, agreement and other provision hereof shall be binding upon Assignor and its successors and assigns, including, without limitation each and every person or entity that may, from time to time, be record owner of the Premises or any other person having an interest therein, shall run with the land and shall inure to the benefit of Lender and its successors and assigns. As used herein the words "successors and assigns" shall also be deemed to include the heirs, representatives, administrators and executors of any natural person who is a party to this Assignment. Nothing in this section shall be construed to constitute consent by Lender to assignment of this Assignment by Assignor.

26. No Oral Modification. This Assignment may not be modified or discharged orally, but only by an agreement in writing signed by Assignor and Lender.

27. Costs of Enforcement. Assignor agrees to pay the costs and expenses, including but not limited to reasonable attorneys' fees and legal expenses incurred by Lender in the exercise of any right or remedy available to it under this Assignment. If Lender retains attorneys to enforce any of the terms of this Assignment, the Loan Agreement, the Security Instrument, the Note or any other Loan Document (as defined in the Loan Agreement) or because of the breach by Assignor of any of the terms thereof or for the recovery of any Indebtedness, Assignor shall pay to Lender attorneys' fees and all costs and expenses, whether or not an action is actually commenced and the right to such attorneys' fees and all costs and expenses shall be deemed to have accrued on the date such attorneys are retained, shall include fees and costs in connection with litigation, arbitration, mediation, bankruptcy and/or administrative proceedings, and shall be enforceable whether or not such action is prosecuted to judgment and shall include all appeals. Attorneys' fees and expenses shall for purposes of this Assignment include all paralegal, electronic research, legal specialists and all other costs in connection with that performance of Lender's attorneys. If Lender is made a party defendant of any litigation concerning this Assignment or the Premises or any part thereof or therein, or the construction, maintenance, operation or the occupancy or use thereof by Assignor, then Assignor shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation, including reasonable attorneys' fees and all costs and expenses incurred by Lender in any such litigation or other proceedings, whether or not any such litigation or other proceedings is prosecuted to judgment or other determination.

28. WAIVER OF JURY TRIAL. LENDER, BY ITS ACCEPTANCE HEREOF, AND ASSIGNOR ACKNOWLEDGE AND AGREE THAT THERE MAY BE A CONSTITUTIONAL RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM, DISPUTE OR LAWSUIT ARISING BETWEEN OR AMONG THEM, BUT THAT SUCH RIGHT MAY BE WAIVED. ACCORDINGLY, THE PARTIES AGREE THAT, NOTWITHSTANDING SUCH CONSTITUTIONAL RIGHT, IN THIS COMMERCIAL MATTER THE PARTIES BELIEVE AND AGREE THAT IT SHALL IN THEIR BEST INTERESTS TO WAIVE SUCH RIGHT, AND, ACCORDINGLY, HEREBY WAIVE SUCH RIGHT TO A JURY TRIAL, AND FURTHER AGREE THAT THE BEST FORUM FOR HEARING ANY CLAIM, DISPUTE, OR LAWSUIT, IF ANY, ARISING IN CONNECTION WITH THIS ASSIGNMENT, THE LOAN DOCUMENTS, OR THE RELATIONSHIP AMONG THE PARTIES HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, OR WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE, SHALL BE A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY.

29. Incorporation of State Law Provisions. Certain provisions/sections of this Assignment and certain additional provisions/sections that are required by laws of the State or Commonwealth in which the Premises are located may be amended, described and/or otherwise set forth in more detail on Exhibit B attached hereto, which such Exhibit by this reference, is incorporated into and made a part of this Agreement. In the event of any conflict between such state law provisions and any provision herein, the state law provision shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed as of the Effective Date.

ASSIGNOR:

KLAMATH FALLS BTS RETAIL, LLC,
an Oregon limited liability company

By: 

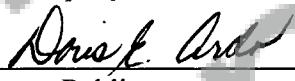
Name: James A. Strauss

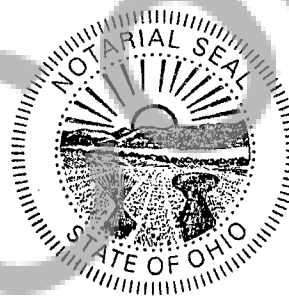
Its: Authorized Signatory

STATE OF OHIO)
) SS.
COUNTY OF CUYAHOGA)

This is an acknowledgement clause. No oath or affirmation was administered to the signer.

The foregoing instrument was acknowledged before me this 14th day of May, 2020, by James A. Strauss, the Authorized Signatory of KLAMATH FALLS BTS RETAIL, LLC, an Oregon limited liability company, on behalf of the company.


Notary Public



DORIS E. ARDO
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
10-31-2023
Recorded in
Medina County

Exhibit A

Legal Description

BEGINNING AT A POINT 528 FEET EAST OF AN IRON PIN DRIVEN INTO THE GROUND JUST INSIDE THE FENCE CORNER AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SECTION 1, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, ON THE PROPERTY OF OTIS V. SAYLOR BEING THE SOUTHWEST CORNER OF SAID PROPERTY ABUTTING ON THE DALLES-CALIFORNIA HIGHWAY; THENCE NORTH 330 FEET; THENCE EAST 132 FEET; THENCE SOUTH 330 FEET; THENCE WEST 132 FEET TO THE POINT OF BEGINNING.

BEGINNING AT A POINT 462 FEET EAST OF AN IRON PIN DRIVEN INTO THE GROUND JUST INSIDE OF THE FENCE CORNER AT THE SOUTHWEST CORNER OF NORTHWEST 1/4 OF SECTION 1, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN ON THE PROPERTY OF OTIS V. SAYLOR, BEING THE SOUTHWEST CORNER OF SAID PROPERTY ABUTTING ON THE DALLES-CALIFORNIA HIGHWAY; THENCE NORTH 330 FEET TO A POINT; THENCE EAST 66 FEET TO A POINT; THENCE SOUTH 330 FEET TO A POINT; THENCE WEST 66 FEET TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE HIGHWAY RIGHT OF WAY AS CONTAINED IN WARRANTY DEED RECORDED JUNE 23, 1964 IN VOLUME 354, PAGE 75, DEED RECORDS OF KLAMATH COUNTY, OREGON.

ALSO SAVING AND EXCEPTING THEREFROM ALL THAT PORTION IN FAVOR OF THE STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION BY STIPULATED GENERAL JUDGMENT, CASE NO. 1301596CV, RECORDED JANUARY 14, 2014, INSTRUMENT NO. 2014-000339.

For informational Purposes:

Street Address: 5927 South 6th Street, Klamath Falls, OR
Parcel No. R 507525; Map No. 3909-001BC-03500

Exhibit B

(Applicable State Laws)

1. NO ORAL COMMITMENTS NOTICE

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US LENDER CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.

- 2. This Assignment is intended to be a present assignment of rents pursuant to ORS 93.806.**