

8506

LEASE

THIS INDENTURE, made this 1st day of January 1969, by and between SUNRIVER PROPERTIES, INC., an Oregon corporation, the principal place of business of which is Sunriver, Oregon, hereinafter called "Lessor," and SUNRIVER LODGE, INC., acting on its own behalf and as the agent for others, hereinafter called the "Lessee,"

W I T N E S S E T H:

ARTICLE I

DEMISE

1. Premises. Lessor, in consideration of the rent hereinafter reserved and of the covenants and conditions herein contained and on the part of Lessee to be observed and performed, does hereby demise and lease unto Lessee, and Lessee does hereby lease and rent, the real property described in Exhibit R, attached hereto, and which Exhibit hereby is made a part hereof.

2. Term. The term of this Lease for and during which Lessee shall have and hold said real property, together with the improvements, rights, easements, privileges and appurtenances thereunto belonging or appertaining, subject to the covenants and conditions hereinafter contained, shall be from the date hereof to and including December 31, 2067.

3. Development of Condominium. Lessee shall, and shall have the right and power to, develop, design, sell units of, and construct on the demised premises, a condominium resort hotel to be known as Sunriver Lodge in conformity with plans and specifications to be approved by Lessor. Lessee shall have the right by statutory declaration to declare its said leasehold estate subject to unit ownership under ORS 91.505 to 91.675 pursuant to a Declaration and Bylaws approved by Lessor and recorded pursuant to the Oregon Unit Ownership Law. To evidence its approval of said Declaration, Lessor shall consent thereto thereon, but such consent shall not alter, amend, modify or cancel any term, covenant, provision or condition hereof on the part of Lessee to be kept, observed or performed, nor shall it relieve any assignee, or assignees, of Lessee from liability hereunder.

4. Option to Purchase. At any time during the term hereof, the Association of Unit Owners of Sunriver Lodge, upon a seventy-five (75) percent affirmative vote of its members so to do, may purchase said real property in Exhibit R, and thereby terminate this lease, for the purchase price of two hundred fifty thousand dollars (\$250,000.00). Said option to purchase shall be exercised, if at all, by said Association delivering to Lessor a writing exercising said option and by tendering therewith

said purchase price.

ARTICLE II

RENT

1. Amount. During the term hereof Lessee shall pay unto the Lessor as rent for said premises on account of each month of the term hereof the sum which is the total of the following sums per unit times the number of units of each type in Sunriver Lodge, to-wit: Two bedroom apartments, \$18.00 each, and three bedroom apartments, \$22.50 each.

2. Payment. Lessee shall pay the rent herein reserved, quarterly in advance on the first day of January, April, July and October in each and every year during the term hereof.

ARTICLE III

LESSEE'S COVENANTS

Lessee hereby covenants with Lessor as follows:

1. Payment of Rent. Lessee will pay the rent and other charges herein reserved in lawful currency of the United States of America at the times and in the manner aforesaid to Lessor, or to such other person or corporation as shall be designated by Lessor in writing at least ten (10) days prior to the next ensuing rent payable date.

2. Payment of Taxes and Other Charges. Lessee also will pay all taxes, rates, assessments, charges and other

outgoings of every description which are now, or may during said term, become liabilities, whether assessed to or payable by Lessor or Lessee before the same respectively become delinquent; PROVIDED, HOWEVER, that with respect to any assessments made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments, together with interest on unpaid balances thereof, as shall become due and payable during said term. Nothing herein contained shall prevent Lessee from contesting in good faith, by any appropriate proceedings commenced before the same becomes delinquent, the validity or amount of any such tax, rate, assessment or charge, or require the payment thereof, if it be abated by such proceeding, until the final determination of such contest; PROVIDED, FURTHER, that Lessee will pay all such taxes, rates, assessments or charges, together with all interest, penalties, fines and costs accrued thereon or imposed in connection therewith, forthwith upon the commencement of proceedings to foreclose any lien which attached to the demised premises or any part thereof as security therefor or within such further time as may be duly allowed by any stay of such foreclosure proceedings; and PROVIDED, ALSO, that if Lessee shall fail to pay any such taxes, rates, assessments and charges as herein provided, Lessor, at any

time thereafter, may pay the same, together with any interest, penalties, fines and costs accrued thereon or imposed in connection therewith, and Lessee will repay to Lessor, upon demand therefor, the full amount so paid by Lessor, together with interest at the rate of ten percent (10%) per annum.

3. Improvements Required by Law. At Lessee's own expense, throughout said term, Lessee will make, build, maintain and repair all fences, roads, curbs, sidewalks, sewers, drains, parkways and parking areas which may be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the demised premises, or any part thereof, except as otherwise provided herein.

4. Repair of Improvements. Subject to the provisions hereinafter contained in ARTICLE V relating to insurance of the building and in ARTICLE VII relating to condemnation, Lessee, at Lessee's own expense from time to time during said term, will well and substantially repair, maintain, and keep buildings and improvements at any time during said term existing on the demised premises, with all necessary reparations and amendments whatsoever, in good order and condition.

5. Observance of Laws. During the whole of said term, Lessee will keep the demised premises in a strictly

clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations whether now or hereafter made by any governmental authority for the time being applicable to said premises or the use thereof, and will indemnify Lessor against all actions, suits, claims and damages by whomsoever brought by reason of the non-observance or nonperformance of said laws, ordinances, rules and regulations or of this covenant.

6. Inspection of Premises. At all reasonable times during said term, Lessee will permit Lessor and its agents to enter the demised premises and examine the state of repair of the improvements and will repair and make good all defects required by the terms of this lease to be repaired, remedied or made good by Lessee of which notice shall be given by Lessor or its agents within fifty (50) days after Lessee's knowledge thereof. If Lessee shall refuse or neglect to commence such repairs or remedies and complete the same within said period, Lessor may make such repairs or remedies or cause the same to be made and shall not be responsible to Lessee for any loss or damage that may be caused to the property of Lessee by reason thereof, and if Lessor shall make such repairs or remedies or cause the same to be made, Lessee shall pay, forthwith on demand, to the Lessor the cost thereof, with interest at the rate of ten percent (10%)

per annum.

7. Waste and Unlawful Use. Lessee will not make or suffer any strip or waste or unlawful, improper or offensive use of the demised premises or any part thereof.

8. Assignments and Subleases. Subject to the further terms and provisions herein contained and to Lessee's continuing liability hereunder, Lessee, without Lessor's consent, may mortgage this lease to secure funds for the construction of Sunriver Lodge and sell condominium units of ownership in Sunriver Lodge pursuant to the proposed Declaration thereof, and, without Lessor's consent, the individual purchasers of such units, their personal representatives, successors, and assigns, may sell, mortgage, hypothecate, and otherwise deal in and with their said units subject to this lease. Furthermore, Lessee, without Lessor's consent shall assign Lessee's interest herein to the Association of Unit Owners of Sunriver Lodge, promptly upon the creation of said Association. This assignment shall transfer all Lessee's rights and liabilities hereunder to said Association and shall relieve Lessee of all liability hereunder.

9. Costs and Expenses of Lessor. Lessee will pay to Lessor all costs and expenses, including reasonable attorney's fees, incurred or paid by Lessor in enforcing any of the covenants and conditions herein contained, in recovering possession of the demised premises or any

part thereof, or incurred by or imposed upon Lessor by or in connection with any litigation commenced by or against Lessee (other than condemnation or title proceedings) to which Lessor shall, without fault, be made a party.

10. Indemnity. Lessee will indemnify and hold Lessor harmless from and against all claims and demands for loss or damage, including claims for property damages, personal injury or wrongful death, arising out of or in connection with the use or occupancy of the demised premises by Lessee or any other person claiming by, through or under Lessee, or any accident or fire on said premises, or any nuisance made or suffered thereon, or any failure of Lessee to maintain said premises in a safe condition, and Lessee shall reimburse Lessor for all costs and expenses, including reasonable attorney's fees, paid or incurred by Lessor in connection with the defense of any such claims.

11. Liability Insurance. Lessee will, at its own expense, effect and maintain during the whole of said term a policy or policies of comprehensive general insurance covering Lessor and Lessee with respect to the demised premises in form and with coverage satisfactory to and approved by Lessor, with such minimum limits as Lessor from time to time shall determine to be reasonably necessary to protect Lessor and Lessee from any

judgment and also a policy or policies of insurance affording protection against claims for property damage, in any insurance company or companies satisfactory to Lessor, and with such minimum limits, as shall be satisfactory to Lessor, and Lessee will, from time to time upon receiving the same, deposit promptly with Lessor copies or evidence of such policies of insurance and every receipt for premiums paid thereon.

12. Use of Premises. Lessee will use the demised premises for condominium resort hotel purposes as set forth in paragraph 6 of ARTICLE X hereof, subject to the Declaration and the Bylaws of Sunriver Lodge to be filed by Lessee hereafter. No use of the demised premises by Lessee, its successors or assigns, other than those enumerated or referred to herein shall be authorized without prior written consent of Lessor, and upon such terms and conditions as may be agreeable to Lessor.

13. Liens. Lessee will indemnify and hold harmless Lessor against all liens, charges and encumbrances, and all expenses in connection therewith, including attorneys' fees, with respect to the demised premises or any improvements thereon, which may result from any act or neglect of Lessee; it being expressly agreed that the Lessee or any permitted sublessee shall have no authority to create

any lien, charge or encumbrance upon the demised premises and the improvements thereof or thereon or upon the estate of Lessee therein, other than a permitted mortgage of a portion of, or all, the estate of Lessee or any permitted sublessee.

14. Surrender. At the end of said original or renewed term, as the case may be, or sooner termination of this lease, Lessee will peaceably deliver up to Lessor possession of the land hereby demised in good repair, order and condition, except as provided in ARTICLE VII.

15. Approval of Construction or Alteration. Lessee will not construct or permit to be constructed any improvements upon the demised premises, and will not remodel, replace, alter or make any addition to said premises or other improvements, unless Lessor shall consent thereto in writing. Any such construction, replacement, remodeling, alteration or addition shall be in accordance with plans and specifications approved in writing by Lessor in advance of construction. The provisions of this paragraph shall not apply to interior alterations or construction the cost of which does not exceed five thousand dollars (\$5,000.00).

ARTICLE V

INSURANCE OF BUILDINGS

1. Fire and Other Insurance. Lessee will, at its own expense, at all times during said term, keep said buildings and other improvements, now or hereafter placed on said premises, insured against loss or damage by fire and the risks covered by both the standard and the special extended coverage endorsement in an insurance company, or companies, approved in writing by Lessor, and in time of war against war damage to the extent that governmental insurance therefor is obtainable at reasonable cost, to the full replacement cost thereof without deduction for depreciation, and will pay all premiums thereon when due and from time to time upon receiving the same, will deposit promptly with Lessor all policies of such insurance or true copies thereof and every receipt or copy thereof for premiums paid thereon.

2. Use of Insurance Proceeds. In case said units and buildings, or any part thereof, shall be destroyed or damaged by fire or other such casualty herein required to be insured against, then, and as often as the same shall happen, all proceeds of such insurance shall be available for the use by Lessee, with all reasonable dispatch, in rebuilding, repairing or otherwise reinstating the building or buildings so destroyed or damaged in a good and substantial manner according to the plans and elevations thereof, or according to such modified plans for the same

or substitute building or buildings as shall be approved in writing by the parties hereto, and Lessee shall make up any deficiency between the proceeds of such insurance and the cost of rebuilding, repairing or otherwise reinstating as aforesaid. Lessee's liability hereunder is expressly limited by the terms of said Declaration.

ARTICLE VI

MORTGAGES

In the event that Lessee or any unit owner of a condominium unit of Sunriver Lodge shall assign by way of mortgage this lease or any unit on, or a part of, said demised premises, and if Lessee, any unit owner, or any mortgagee of Lessee or of any unit owner shall furnish to Lessor a true copy of such mortgage, together with the name and address of the mortgagee, Lessor will not terminate this lease by reason of the occurrence of any of the events of default set forth in ARTICLE VIII hereof without first notifying such mortgagee in writing at the address furnished to Lessor. Such mortgagee may within one hundred and twenty (120) days after Lessor has mailed such notice either cure such default, if the default can be cured by the payment of money, or if such is not the case, undertake in writing to perform all covenants of this lease capable of performance by the mortgagee until such time as the mortgaged unit shall be sold upon foreclosure pursuant to said mortgage. If such default shall be the failure of the Lessee promptly to indemnify the Lessor against any lien, charge or encum-

brance which may be filed against the demised premises or any improvements thereon, junior in priority to said mortgage, the mortgagee may cure such default by accomplishing the foreclosure of said mortgage, and such default shall be deemed to be cured within said period of one hundred and twenty (120) days if such foreclosure shall be accomplished through proceedings or action instituted within said period and thereafter prosecuted in a diligent and timely manner. As used in this Article VI, the term "Lessee" shall mean a party which holds this lease and shall include each unit owner. Thus, if a unit owner or any unit owner's mortgagee shall furnish to Lessor a true copy of the unit owner's mortgage, together with the name and address of the mortgagee, the unit owner's mortgagee shall be entitled to said notice from Lessor and shall be entitled to exercise the rights above set forth within said 120 day period after Lessor has mailed said notice.

ARTICLE VII

CONDEMNATION

1. Consequences of Condemnation. In the event at any time, or times, during said term the demised premises or any part thereof, shall be taken or condemned by authority having the power of eminent domain, then and in every such case, the estate and interest of Lessee in any part of the demised premises so taken or condemned shall at once cease and determine; and the rent herein specified for the demised premises in paragraph

1 of ARTICLE II of this lease shall be reduced for and during the unexpired balance of said term, effective as of the date when, by reason of such taking or condemnation, Lessee shall lose the right to possession of any part of the demised premises, to a sum which shall bear the same ratio to the rent payable immediately before the taking as the value of the property subject to this lease and said Declaration immediately after the taking bears to the value of the property subject to this lease and said Declaration immediately before the taking.

2. Compensation and Damages. In every such case of taking or condemnation of the demised premises, or any part thereof, all compensation and damages payable for or on account of any land hereby demised and any buildings or other improvements thereon erected or paid for by Lessor shall be payable to, and be the sole property of, Lessor, as the case may be, and Lessee shall have no interest or claim to such compensation or damages or any part thereof whatsoever. Any compensation and damages payable, for or on account of any other improvements erected on the premises during or prior to the term hereof and any plans and other preparations therefor shall be payable to Lessee.

3. Termination of Lease. In the event only part of the demised premises shall be so taken or condemned, and the parties hereto shall agree in writing that the balance of the demised premises is unsuitable for the purposes for which the premises were demised, then, and in such event, Lessee shall have the right, at its option, by giving prior written notice

thereof to Lessor within seventy-five (75) days after such event, to terminate this lease. Upon such termination, Lessee shall be relieved of all further obligations under this lease, and Lessor shall refund to Lessee any unearned portion of the rent therefor paid in advance prior to the effective date of such termination.

ARTICLE VIII

DEFEASANCE

1. Events and Consequences of Default. This demise is upon the express condition that, if any one, or more, of the following events of default shall occur, to wit:

(A) Lessee shall fail to pay the rent herein reserved, or any part thereof, when the same becomes due, whether the same shall, or shall not, be legally demanded; or

(B) Lessee shall fail to observe or perform any other of the covenants herein contained and on the part of Lessee to be observed and performed; or

(C) Lessee shall abandon the demised premises; then, and in case of any such event of default, subject to ARTICLE VI hereof, Lessor may, at any time thereafter during the continuance of such default, at its option, terminate this lease by giving written notice thereof to Lessee, and upon such termination Lessor may then, or at any time thereafter, re-enter the demised premises or any part thereof in the name of the whole and thereupon take possession of the said premises and may expel and remove from the demised premises Lessee and those claiming under Lessee, and Lessee's and their effects, without service

of notice or resort to any legal process and without being deemed guilty of any trespass or becoming liable for any loss or damage which may be occasioned thereby, or may then or at any time thereafter bring an action for summary possession of said premises or any part thereof as provided by law, all without prejudice to any other remedy or right of action which Lessor may have for arrears of rent or for any preceding or other breach of contract. As used in this ARTICLE VIII, the term "Lessee" shall mean the party which holds this lease. If, upon assignment of this lease by Lessee to the Association of Unit Owners of Sunriver Lodge, said Association shall be in default by reason of any unit owner's failure to pay his rent to said Association, this Article shall apply separately to such unit owner's condominium as in said Declaration defined and described and Lessor's right of termination and repossession hereunder shall apply only to the condominium of such defaulting unit owner. Any default for the curing of which the performance of work is required is deemed cured when the contract therefor is let to a responsible contractor and shall remain cured so long as such contractor performs his work with reasonable diligence and dispatch.

2. Acceptance of Rent not Waiver. The acceptance of rent by Lessor or its agent shall not be deemed to be a

waiver by it of any breach by Lessee of any covenant herein contained or of the right of Lessor to re-enter for breach of condition. The waiver by Lessor of any breach shall not operate to extinguish the covenant or condition the breach whereof has been waived nor deemed to be a waiver by Lessor of its right to declare a forfeiture of this lease for any breach thereof.

ARTICLE IX

GENERAL COVENANTS

1. Assumption of Risk by Lessee. Lessee will and does hereby assume all risk of loss or damage to furniture, supplies, merchandise and other property, by whomsoever owned, stored or placed upon the demised premises. Lessor will not be responsible for loss or damage to any such property. Lessee shall indemnify and save harmless Lessor from and against any and all claims for such loss or damage, other than damage caused by willful act or gross neglect of Lessor.

2. Holding Over. If Lessee shall, with the consent of Lessor, remain in possession of the demised premises after the expiration of said term and without executing any extension or renewal of this lease, Lessee shall be deemed to occupy said premises as a tenant from month to month at the monthly rental herein reserved, upon and subject to all the other covenants, conditions and provisions

herein contained, insofar as the same are applicable to a month-to-month tenancy.

ARTICLE X

MISCELLANEOUS

1. Mortgage Defined. The term "mortgage" as used herein means any assignment, deed of trust or other transfer of this lease, made as security for any indebtedness of the Lessee, its successors or assigns, and the term "mortgagee" as used herein means any person who lawfully holds such mortgage.

2. Subjection of leased premises to Plan of Sunriver. By instrument dated June 20, 1968 and recorded on June 20, 1968 in volume 159 of the records of deeds of Deschutes County, Oregon, at page 198 Lessor has established the Plan of Sunriver. The leased premises are located within the area defined as "Sunriver" in the Plan of Sunriver. Lessor is the "Developer" and the "Administrator of Sunriver" as the terms are defined in the Plan of Sunriver. Lessor believes that it would be desirable to subject the leased premises to the Plan of Sunriver and therefore, pursuant to the provisions of section 2.2 of the Plan of Sunriver does hereby declare that effective upon the filing of the Declaration referred to in ARTICLE I, Section 3, herein the leased premises shall be subject to the Plan of Sunriver on the following terms

and conditions:

(a) The entire leased premises shall constitute a "private area" within the meaning of section 1.11 of the Plan of Sunriver.

(b) Each unit created by virtue of the Declaration to be filed as provided in ARTICLE I, Section 3, shall be a "unit" within the meaning of section 1.20 of the Plan of Sunriver and the owner of each such unit shall be a "unit owner" within the meaning of section 1.21 thereof.

(c) The entire leased premises shall constitute a "village" within the meaning of section 1.22 of the Plan of Sunriver, which village shall be known as "Sunriver Lodge."

(d) The Association of Unit Owners of Sunriver Lodge shall constitute a "village association" within the meaning of section 1.23 of the Plan of Sunriver.

(e) Lessee shall be responsible for the collection of all maintenance assessments levied against unit owners in Sunriver Lodge pursuant to the Plan of Sunriver. Lessee shall pay to the Administrator of Sunriver named in the Plan of Sunriver the entire amount of the maintenance assessments due from unit owners within Sunriver Lodge promptly when they shall become due, whether or not Lessee has collected the same from the persons by whom

they are payable.

(f) Sunriver Lodge shall remain subject to the Plan of Sunriver despite a termination of this lease on account of exercise of the option to purchase for which provision is made in paragraph 4 of ARTICLE I hereof.

3. Notices. Any notice or demand to be given to or served upon either Lessor or Lessee in connection with this lease shall be deemed to have been sufficiently given or served for all purposes by being sent as certified mail, return receipt requested, postage prepaid, addressed to such party at Sunriver, Oregon, or at such other postoffice address as such party may from time to time designate in writing to the other party, and any such notice or demand shall be deemed conclusively to have been given or served on the date of such certification or personal delivery.

4. Consent. Whenever in this lease provided, Lessee is required to obtain the written consent or approval of Lessor, such consent or approval shall be deemed to have been given by Lessor if, within fifteen (15) days from the date of receipt of such request, in writing, Lessor has not indicated that its consent or approval shall be withheld. The date of the receipt of the request for consent or approval must be established by either a postage return receipt showing the date of receipt by

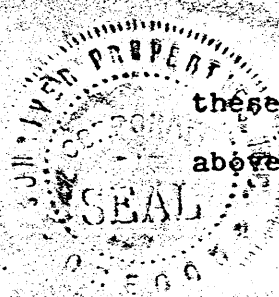
Lessor or by a written receipt signed and dated by an officer, general partner or an authorized agent of Lessor. Whenever such consent or approval is required, Lessor shall not require payment by Lessee of any moneys for such consent or approval, other than such reasonable costs and expenses as may be incurred by Lessor in connection with such consent or approval, and Lessor further agrees that it will not unreasonably withhold such consent or approval.

5. Article and Section Headings. The article and section headings herein are inserted only for convenience and reference and shall in no way define, limit, or describe the scope or intent of any provision of this lease.

6. Successors and Assigns. All the terms, covenants and conditions of this lease shall inure to the benefit of, and be binding upon, the successors and assigns of Lessor and the personal representatives, heirs, successors and assigns of Lessee.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

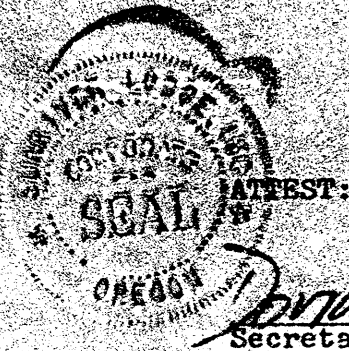
SUNRIVER PROPERTIES, INC.


Donald V. McArthur
President

ATTEST:

Robert A. Gordon
Secretary

SUNRIVER LODGE, INC.



President

Secretary

STATE OF OREGON)
 Deschutes)
 County of ~~Multnomah~~) ss.

On this 1st day of January, 1968,
 before me personally appeared DONALD V. McCALLUM, to
 me known, who being duly sworn, on oath did say: That
 he is the President of SUNRIVER PROPERTIES, INC., a
 corporation; that said instrument was signed on behalf
 of said corporation by authority of its board of
 directors; and he acknowledged said instrument to be
 its voluntary act and deed.



Shirley M. Wene
 Notary Public for Oregon
 My Commission Expires: Feb. 3, 1971

STATE OF OREGON)
 Deschutes)
 County of ~~Multnomah~~) ss.

On this 1st day of January, 1968,
 before me personally appeared JOHN D. GRAY, to me known,
 who, being duly sworn, on oath did say: That he is the
 President of SUNRIVER LODGE, INC., a corporation; that
 said instrument was signed on behalf of said corporation
 by authority of its board of directors; and he acknow-
 ledged said instrument to be its voluntary act and deed.



Shirley M. Wene
 Notary Public for Oregon
 My Commission Expires: Feb. 3, 1971

A tract of land located in the Northwest Quarter of Section 5 and the Northeast Quarter of Section 6, Township 20 South, Range 11 East, W. M., Deschutes County, Oregon, more particularly described as follows:

Commencing at the point of intersection of the centerline of Abbot Drive and of Center Road as shown on the duly recorded plat of Meadow Village, whence the Southwest corner of Section 5 bears South 34° 23.72 feet and West, 978.91 feet; thence North 17° 00' 01" East, 120.00 feet to the true point of beginning; thence South 72° 59' 59" East, 290.00 feet; thence North 17° 00' 00" East, 188.00 feet; thence North 26° 57' 30" West, 107.98 feet; thence North 19° 05' 00" East, 224.64 feet; thence North 89° 31' 20" West, 123.20 feet; thence North 00° 29' 08" West, 890.85 feet; thence South 75° 24' 09" West, 386.57 feet; thence South 70° 30' 00" West, 387.91 feet; thence South 56° 45' 00" West, 319.83 feet; thence South 17° 28' 35" West, 358.55 feet; thence South 77° 01' 38" East, 280.32 feet; thence South 79° 22' 58" East, 134.77 feet; thence South 69° 24' 15" East, 132.79 feet; thence South 53° 37' 36" East, 492.96 feet; thence South 17° 00' 01" West, 130.00 feet to the point of beginning. Containing 20.81 acres, more or less.

Together with an easement for ingress and egress over and across the following described tract:

Beginning at the intersection of the Westerly line of said Center Road with the Northerly line of said Abbot Drive; thence North 72° 59' 59" West, 172.79 feet; thence North 49° 59' 59" West, 304.99 feet; thence North 21° 00' 01" East, 265 feet; thence North 69° 24' 15" West, 132.79 feet; thence South 06° 59' 59" East, 155.00 feet; thence South 33° 55' 50" West, 180.48 feet; thence South 77° 18' 44" East, 40.82 feet; thence South 49° 59' 59" East, 360.00 feet; thence South 72° 59' 59" East, 185.00 feet to a point on the Westerly line of said Center Road; thence North 17° 00' 01" East 60.00 feet to the point of beginning.

STATE OF OREGON

County of Deschutes

I hereby certify that the within instrument of writing was received for Record the 31st day of July, A.D. 1969 at 9 o'clock A.M., and recorded in Book 165 on Page 794 Record of Deeds

By Harold M. Danner County Clerk
Patricia Deputy

8506

EXHIBIT R

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