

The City of Klamath Falls, Oregon, a municipal corporation (City and Lumbermen's of Washington, Inc. dba Lumbermen's Building Center (Grantee) for and in consideration of the covenants and conditions hereinafter set forth, agree as follows:

City hereby gives and grants to Grantee, its successors and assigns, upon the terms and subject to the conditions hereinafter set forth, non-exclusive permission to encroach upon a portion of the Spring Street right-of-way in the City of Klamath Falls at Lot 100, Block 1, Supplemental Plat of Railroad Addition (as shown on the attached map Exhibit "A"). This permit is granted for the limited purpose of installing landscaping improvements.

Grantee agrees to pay to the City, as compensation for the privileges herein granted, the sum of Fifty Dollars (\$50.00), receipt of which is hereby acknowledged by City.

Grantee shall save and hold harmless the City from, and indemnify the City against, any and all liability for or on account of any death or injury to persons, or damage to property incurred in any manner whatsoever growing out of Grantee's use or the public's loss of the privileges herein granted.

This agreement shall run from year to year unless terminated. It may be terminated upon sixty (60) days written notice by either party. Upon termination, Grantee shall remove all structures herein authorized and restore the public right-of-way in accordance with the directions of the City's Director of Public Works within sixty (60) days.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this 7 day of September, 1999.

CITY OF KLAMATH FALLS

By: [Signature]
City Manager

LUMBERMEN'S OF WASHINGTON, INC.

By: [Signature]

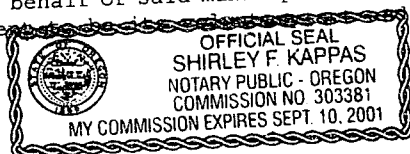
Attest: [Signature]
City Recorder

Attest: _____

STATE OF OREGON } ss.
COUNTY OF KLAMATH }

On the 7th day of September, 1999, personally appeared James R. Keller and Elisa D. Olson, who, each being first duly sworn, did say that the former is the City Manager and the latter is the City Recorder of the City of Klamath Falls, an Oregon municipal corporation, and that the instrument was signed on behalf of said municipal corporation; and each of them acknowledged said instrument to be their deed.

BEFORE ME:



[Signature]
Notary Public for Oregon

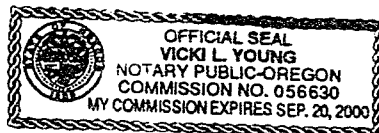
STATE OF OREGON } ss.
COUNTY OF KLAMATH }

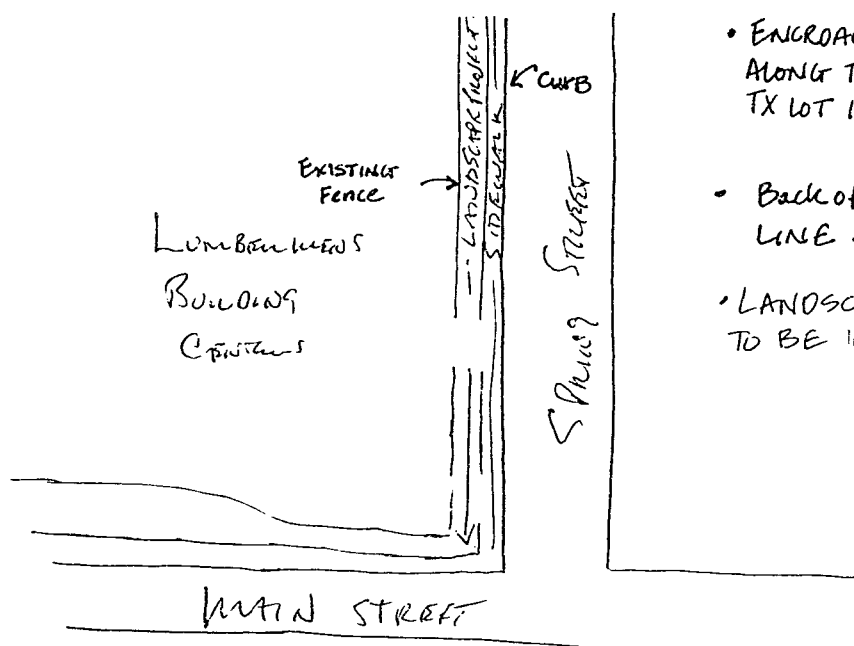
On the 2 day of September, 1999, personally appeared [Signature] and acknowledged said instrument to be his/her/their voluntary act and deed.

BEFORE ME:

[Signature]
Notary Public for Oregon
My Commission Expires: 9-20-2000

AFTER RECORDING RETURN TO:
City Recorder
500 Klamath Avenue
Klamath Falls, OR 97601





- ENCROACHMENT IS ALONG TAX LOT 380933BB TX LOT 100 ON SPRING STREET.
- BACK OF CURB TO PROPERTY LINE.
- LANDSCAPE IMPROVEMENT: TO BE INSTALLED.

State of Oregon, County of Klamath
 Recorded 9/17/99, at 10:16 a.m.
 In Vol. M99 Page 37103
 Linda Smith,
 County Clerk Fee \$ 15.00