

Recording requested by and
When recorded, return to:

Eugene A. Frassetto, Esq.
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268

Until a change is requested, all tax
statements shall be sent to:

Electro Scientific Industries, Inc.
Jack Isselmann, General Counsel
13900 New Service Park Drive
Portland, OR 97229

Property Tax Account No.: 430821

mtc S1399-KR
STATUTORY WARRANTY DEED

KLAMATH COMMUNITY DEVELOPMENT CORPORATION, an Oregon corporation ("Grantor"), conveys and warrants to ELECTRO SCIENTIFIC INDUSTRIES, INC., an Oregon corporation ("Grantee"), the real property situated in the City of Klamath Falls, County of Klamath, State of Oregon, more particularly described in attached Exhibit A, free of encumbrances except as specifically provided on Exhibit B.

The true consideration for this conveyance includes good and valuable consideration other than money.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

DATED this 20th day of, June 2000.

KLAMATH COMMUNITY DEVELOPMENT CORPORATION

By: Neal Eberlein
Printed Name: NEAL EBERLEIN
Its: V. PRES.

L.H. SEAN
Sec

STATE OF OREGON

County of

Klamath

SS.

This instrument was acknowledged before me on this 20th day of June, 2000 by Neal Eberlien
and L.H. Senn, as V. President & Secretary of KLAMATH
COMMUNITY DEVELOPMENT CORPORATION, an Oregon corporation.



Kristil L. Redd
Notary Public for Oregon

**EXHIBIT A
TO
STATUTORY WARRANTY DEED
(KCDC to ESI)**

Real Property Description

A tract of land situated in the NE 1/4 of Section 18, T38S, R9E WM, Klamath County, Oregon more particularly described as follows:

~~BEGINNING at the center one fourth corner of Section 18; thence N 01°32'23" E 1319.28 feet, to the CN 1/16 corner of Section 18; thence S 88°25'29" E 1322.27 feet to the NE 1/16 corner of Section 18; thence S 01°23'04" W along the North-South center line of said NE 1/4, 471.77 feet; thence N 88°25'29" W 515.90 feet; thence S 01°23'04" W 855.00 feet to a point on the South line of said NE 1/4; thence N 87°53'45" W 810.00 feet to the point of beginning, containing 30.13 acres more or less. Bearings based on record of Survey Number 5074.~~

~~Also described as Parcel 1, Land Partition 12-00 situated in Section 18, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.~~

TOGETHER WITH a non-exclusive, temporary easement for the benefit of and as an appurtenance to the real property conveyed to Grantee in this instrument ("**Grantee's Property**") over and across the real property of Grantor in the City of Klamath Falls, Klamath County, Oregon, adjacent to the Grantee's Property and more particularly described as Parcel 2, Land Partition 12-00 ("**Grantor's Property**") as reasonably required for access and egress between Sykes Boulevard and Grantee's Property by Grantee, its agents, employees, contractors, suppliers and consultants, and vehicles and equipment over and across such portion(s) of Grantor's Property as is reasonably required in connection with Grantee's preparation, development, construction, operation, maintenance and repair of Grantee's Property and any improvements now or hereafter erected thereon ("**Temporary Easement**"). Grantor and Grantee shall reasonably cooperate so that such work may be done without unreasonable interference with Grantor's use of Grantor's Property or with Grantee's exercise of its rights under this Temporary Easement. The Temporary Easement shall automatically terminate ten (10) days after the completion and opening of proposed ESI Way (or other perpetual public roadway) providing perpetual public access to and from Sykes Boulevard and Grantee's Property, consisting of an easement and right of way at least 80-feet wide (roadway and utility easement(s)) as approved by Grantee. Following said termination, on written request from Grantor, Grantee shall execute and deliver to Grantor an instrument in recordable form sufficient to confirm of record the termination of the Temporary Easement. Grantee shall indemnify, reimburse, hold harmless and defend Grantor for, from and against any loss, lien, expense (including reasonable attorneys' fees), damage, claim or liability to or incurred by Grantor to the extent caused by Grantee's use of the Temporary Easement. The Temporary Easement shall run with the land and shall be binding upon Grantor and Grantee and upon their respective heirs, personal representatives, successors and assigns. Nothing contained in this reservation shall be deemed to be a gift or dedication of any portion of the Temporary Easement area to the general public or for the general public or for any public purpose whatsoever. In the event of any suit or action or other proceeding to enforce this reservation, the party not prevailing shall pay to the prevailing party all reasonable costs and expenses incurred by the prevailing party in connection with such suit or action or proceeding, such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof.

**EXHIBIT B
TO
STATUTORY WARRANTY DEED
(KCDC to ESI)**

Title Exceptions

1. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Grazing Fire Patrol.
2. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
3. Grant of Right of Way, subject to the terms and provisions thereof;
Dated: December 10, 1948
Recorded: January 11, 1949
Volume: 228, page 12, Deed Records of Klamath County, Oregon
In Favor Of: The California Oregon Power Company
4. Right of Way Easement, subject to the terms and provisions thereof;
Recorded: September 22, 1966
Volume: M66, page 9453, Microfilm Records of Klamath County, Oregon
In Favor of: Pacific Power & Light Company
(Affects NE 1/4 of Section 18)
5. Ordinance annexing certain territory to the City, subject to the terms and provisions thereof;
Recorded: August 26, 1996
Volume: M96, page 26247, Microfilm Records of Klamath County, Oregon

State of Oregon, County of Klamath
Recorded 06/20/00, at 11:14 a.m.
In Vol. M00 Page 22405
Linda Smith,
County Clerk Fee \$ 36⁰⁰