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AFTER RECORDING PLEASE RETURN TO:  
Southview Properties, LLC  
22101 NE 150<sup>th</sup> Ave  
BattleGround, WA 98604

State of Oregon, County of Klamath  
Recorded 02/20/2003 1:43 p.m.  
Vol M03 Pg 10267 - 10270  
Linda Smith, County Clerk  
Fee \$ 36.00 # of Pgs 4

### MEMORANDUM OF AGREEMENT

Effective as of the 15th day of August, 2002, a COOPERATIVE IMPROVEMENT AGREEMENT (ODOT Contract No. 19.591; the "Agreement") was made by and between **SOUTHVIEW PROPERTIES, L.L.C.**, an Oregon limited liability company, hereinafter referred to as "Southview" and the **STATE OF OREGON**, by and through its Department of Transportation, hereinafter referred to as "ODOT".

#### WITNESSETH:

Southview owns certain real property (the "Premises") consisting of approximately 605 acres located within the City of Klamath Falls, Oregon and adjacent to State Highway 140. Southview desires to develop the Premises for certain residential, commercial and recreational uses. ODOT seeks to limit development of the Premises pending an Amendment to the Klamath Falls Transportation System Plan. In the Agreement the parties agreed to certain terms and conditions that allows for limited development of the Premises until such time as the Klamath Falls Transportation System Plan is amended to more fully address transportation system impacts and solutions resulting from the development of the Premises as required under the Transportation Planning Rule (OAR 660-012-0060). Specifically, the Agreement allows for the development of the Premises to such an extent, without regard to use, that the p.m. peak hour traffic count to and from the Premises at the intersection of State Highway 140 and Orindale Road does not exceed 425.

The Premises subject to the terms and conditions of the Agreement are situated in Klamath County, State of Oregon, and are described as set forth on Exhibits "A" and "B" attached hereto and incorporated herein by this reference.

The above Agreement is subject to each and all the terms, provisions, covenants, and conditions set forth therein between the parties hereto, covering the Premises hereinabove described, and, said Agreement is hereby incorporated herein with the same force and effect as though herein set forth at length.

IN WITNESS WHEREOF, said parties have caused this Memorandum of Agreement to be duly effective and executed this \_\_\_\_ day of January, 2003.

Southview Properties, L.L.C.  
an Oregon limited liability  
company

State of Oregon  
by and through its  
Department of Transportation

By: Gregory P. Bessert By: John E. Rosenberger  
Gregory P. Bessert John E. Rosenberger

Title: Manager

Title: Executive Director, ODOT

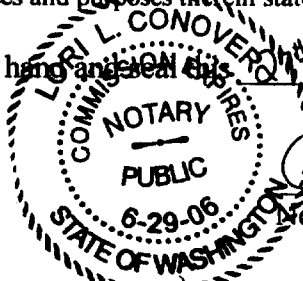
STATE OF WASHINGTON)

) ss.

County of Clark )

I, the undersigned, being a notary public in and for the State and County aforesaid, do hereby certify that Gregory P. Bessert, Manager, for Southview Properties, L.L.C., an Oregon limited liability company, known to me to be the same person whose name is subscribed to the foregoing Memorandum of Agreement, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Agreement as the free and voluntary act of Southview Properties, L.L.C., an Oregon limited liability company, for the uses and purposes therein stated.

Given under my hand and seal this 10th day of January, 2003.



David L. Conover  
Notary Public - State of Washington

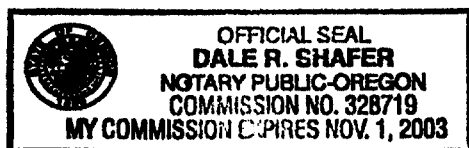
STATE OF OREGON

) ss

COUNTY OF Marion )

I, the undersigned, being a notary public in and for the State and County aforesaid, do hereby certify that John E. Rosenberger, Executive Deputy Director for Highways for the State of Oregon, Department of Transportation, known to me to be the same person whose name is subscribed to the foregoing Memorandum of Agreement, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Agreement as the free and voluntary act of State of Oregon, Department of Transportation, for the uses and purposes therein stated.

Given under my hand and seal this 11th day of February, 2003.



Dale R. Shafer  
Notary Public

Exhibit APROPERTY DESCRIPTIONS

Two parcels of land within the Southeast one-quarter of Section 36, Township 38 South, Range 8 East; the southwest one-quarter of Section 31, Township 38 South, Range 9 East; the Northeast one-quarter of Section 1, Township 39 South, Range 8 East and the Northwest one-quarter of Section 6, Township 39 South, Range 9 South, Willamette Meridian; both being more accurately described as follows:

PARCEL ONE

Commencing at the south one-quarter corner to section 36; thence along the north-south centerline of Section 36  $N0^{\circ}12'38''E$ , 1488.86 feet to the True Point of Beginning of this description; thence continuing along said section centerline  $N0^{\circ}12'38''E$ , 627.03 feet; thence  $N89^{\circ}06'41''E$ , 1216.30 feet; thence  $S21^{\circ}34'56''E$ , 2108.88 feet; thence  $S52^{\circ}33'02''W$ , 246.98 feet; thence  $S40^{\circ}29'48''E$ , 1802.36 feet; thence  $N46^{\circ}18'49''W$ , 2708.58 feet; thence  $N0^{\circ}53'19''W$ , 980.62 feet; thence  $S89^{\circ}06'41''W$ , 994.82 feet to the Point of Beginning, containing 45.75 acres.

PARCEL TWO

Commencing at the south one-quarter corner to section 36; thence  $S42^{\circ}46'46''E$  to a point on the northerly right-of-way line of Oregon Highway 140 and the True Point of Beginning of this description; thence  $N0^{\circ}53'19''$ , 1050.80 feet; thence  $S89^{\circ}52'53''E$ , 242.49 feet; thence  $S0^{\circ}53'19''E$ , 1214.47 feet to a point on said right-of-way line; thence along said right-of-way line  $N56^{\circ}10'47''W$ , 294.93 feet to the Point of Beginning, containing 6.30 acres.

**Exhibit B****PROPERTY DESCRIPTIONS**

Two parcels of land within the Southeast one-quarter of Section 36, Township 38 South, Range 8 East; the southwest one-quarter of Section 31, Township 38 South, Range 9 East; the Northeast one-quarter of Section 1, Township 39 South, Range 8 East and the Northwest one-quarter of Section 6, Township 39 South, Range 9 South, Willamette Meridian; both being more accurately described as follows:

**RELEASE PARCEL NUMBER THREE WITHIN THE UGB**

Commencing at the south one-quarter corner to section 36; thence along the north-south centerline of Section 36 N0°12'38"E, 1488.86 feet to the True Point of Beginning of this description; thence continuing along said section centerline N0°12'38"E, 627.03 feet; thence N89°06'41"E, 1216.30 feet; thence S21°34'56"E, 2108.88 feet; thence S52°33'02"W, 246.98 feet; thence S40°29'48"E, 1802.36 feet; thence N46°18'49"W, 2708.58 feet; thence N0°53'19"W, 980.62 feet; thence S89°06'41"W, 994.82 feet to the Point of Beginning. This tract of land contains 45.75 acres more or less.

**RELEASE PARCEL NUMBER FOUR OUTSIDE OF UGB**

Commencing at the south one-quarter corner to section 36; thence S42°46'46"E to a point on the northerly right-of-way line of Oregon Highway 140 and the True Point of Beginning of this description; thence N0°53'19", 1050.80 feet; thence S89°52'53"E, 242.49 feet; thence S0°53'19"E, 1214.47 feet to a point on said right-of-way line; thence along said right-of-way line N56°10'47"W, 294.93 feet to the Point of Beginning. This tract of land contains 6.30 acres more or less.