

AFTER RECORDING RETURN TO:

City Recorder
500 Klamath Avenue
Klamath Falls, OR 97601

State Of Oregon, County Of Klamath

M05-61579

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Of Pages 2 Fee: \$26.00

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**SATISFACTION AND RELEASE OF COVENANT
NOT TO CLOSE AND CONSENT TO CLOSE REAL ESTATE TRANSACTIONS
FOR PURCHASE AND SALE OF CERTAIN PARCELS OF REAL PROPERTY
IN PHASE 1 OF SOUTHVIEW SUBDIVISION**

This Satisfaction, Release and Consent is made effective this 9th, day of August, 2005.

RECITALS

The City of Klamath Falls, an Oregon Municipal Corporation ("City") and Southview Properties Development, LLC, an Oregon Limited Liability Company ("Southview") entered into a Subdivision Agreement dated August 25, 2004 ("Subdivision Agreement").

In consideration of the terms and conditions of the Subdivision Agreement, City and Southview executed a Restated Covenant Not to Close dated October 11, 2004 and recorded it in the Klamath County Deed Records at M04, Pages 69088-69090 ("Covenant"). The Covenant prohibits Southview from closing "any real estate transactions for the purchase and sale of real property in [The Woodlands] Phase 1" of the Southview Subdivision until certain specified conditions have been met.

City acknowledges that the following conditions, as set forth in the Covenant, have been satisfied:

1. The City has approved and accepted the City Sewer System, as defined in the Subdivision Agreement.
2. City has received and accepted the certification of Southview's engineer that the Phase 1 facilities and infrastructure for the sanitary sewer system, the stormwater facilities, the streets system and the domestic water system are "substantially complete," as defined in the Covenant.
3. Southview has provided City with evidence of approval of the public water system by the Oregon Water Resources Department.
4. City has received payment or entered into a financing arrangement for all System Development Charges applicable to the parcels described below, and regarding which City is agreeing to consent to closing.
5. As appropriate, completion of streets, sidewalks, lighting, stormwater and sanitary sewer system is covered by a performance bond.

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CONSENT TO CLOSE

In consideration of the foregoing recitals:

City hereby acknowledges that the terms and conditions of the Covenant have been satisfied as to the parcels described below.

City hereby releases the following described parcels from the Covenant and hereby consents to the closing of real estate transactions for purchase and sale of the following parcels:

All of the lots (lots 1-59) in The Woodlands, Phase 1, Tract 1416, Southview Subdivision of the City of Klamath Falls according to the official plat thereof on file in the office of the County Clerk for Klamath County, Oregon.

IN WITNESS WHEREOF, the City of Klamath Falls has caused this document to be executed this 9th, day of August, 2005.

CITY OF KLAMATH FALLS

By: [Signature]
City Manager

Attest: [Signature]
City Recorder

STATE OF OREGON)
)ss.
County of Klamath)

On the 9th day of August, 2005, personally appeared Jeffrey D. Ball 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 its voluntary act and deed.

BEFORE ME:

[Signature]
Notary Public for Oregon
My Commission Expires: 5-8-2009

