

AFTER RECORDING RETURN TO:

Integral Youth Services, Inc.
PO Box 1385
1011 Main Street
Klamath Falls, OR 97601

GRANTOR:

City of Klamath Falls
500 Klamath Avenue
Klamath Falls, OR 97601

GRANTEE:

Integral Youth Services, Inc.
PO Box 1385
1011 Main Street
Klamath Falls, OR 97601

2008-002671

Klamath County, Oregon



00041054200800026710070078

03/03/2008 03:00:34 PM

Fee: \$51.00

TAX STATEMENTS:

Until requested otherwise,
send all tax statements to:
Integral Youth Services, Inc.
P.O. Box 1385, Klamath Falls, OR 97601

BARGAIN AND SALE DEED

The City of Klamath Falls, Oregon, a Municipal Corporation, Grantor, conveys to Integral Youth Services, Inc., an Oregon Non-Profit Corporation, Grantee, a fee simple determinable interest in the real property described below (the "Property") for so long as: a) the property is perpetually and continuously used as a maintenance education facility, offering hands-on training and career building skills to community youths; and b) development of the Property for such use is initiated within two (2) years of this transfer; and c) development of the Property for such use is completed and such use is commenced within five (5) years of this transfer.

Grantor retains a possibility of reverter in the Property such that if development of the Property for the described purpose is not initiated within two (2) years of this transfer; OR if development of the Property for such purpose is not completed within five (5) years of this transfer; OR if the Property is not being used for the described purpose within five (5) years; OR if the Property is not perpetually and continuously used for the described purpose, then the interest of Grantee and its heirs, successors and assigns shall automatically terminate and fee simple title shall revert to Grantor, its successors or assigns. The Property is situated in Klamath County, State of Oregon and is legally described as follows:

Lots 35 through 41 inclusive and Lot D, all in Block 7, INDUSTRIAL ADDITION to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon; RESERVING UNTO GRANTOR A RIGHT-OF-WAY EASEMENT AND AN ACCESS EASEMENT ON THE TERMS AND CONDITIONS SET FORTH IN ATTACHED EXHIBITS A and B, RESPECTIVELY.

The true and actual consideration paid for such transfer, stated in terms of dollars is \$0.00. However, the actual consideration for this transfer consists of or includes other property or value given which is the whole consideration.

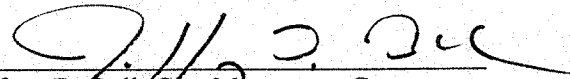
Grantee is aware and acknowledges that Grantor has made no representations, statements or disclosures of any kind as to any matters concerning the Property and that Buyer is receiving the Property on an "As-Is" basis, with any and all patent and latent defects and all known and unknown conditions; provided, however, that Grantor hereby agrees to indemnify Grantee for any hazardous materials or Hazardous Substances contamination, as defined under federal and State laws and regulations, that existed on the Property prior to the date of this Deed. Because this Deed includes the possibility of reverter to Grantor, Grantee agrees that it shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Property. Grantee may use or otherwise handle on the Property only those Hazardous Substances typically used or sold in the prudent and safe operation of a maintenance education facility. Grantee may store such Hazardous Substances on the Property only in quantities necessary to satisfy Grantee's reasonably anticipated needs. Grantee shall comply with all

Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Property. In the event of reverter to Grantor, Grantee shall remove all Hazardous Substances from the Premises in compliance with all Environmental Laws. The term *Environmental Law* shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment. The term *Hazardous Substance* shall mean any hazardous, toxic, infectious, or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions. Grantee further agrees to indemnify and hold harmless Grantor for any hazardous materials or Hazardous Substances contamination, as defined under federal and State laws and regulations, that is created on or under the Property on and after the date of this Deed.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

DATED this 3rd day of March, 2008.

CITY OF KLAMATH FALLS


Jeffrey D. Ball, City Manager – Grantor

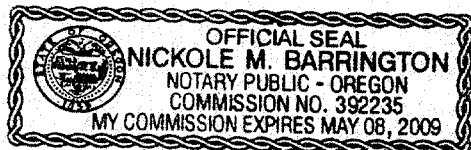
ATTEST:

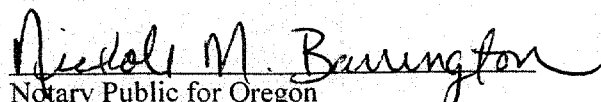

Elisa D. Olson, City Recorder

STATE OF OREGON)
)ss.
County of Klamath)

On the 3rd day of March, 2008, 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 his/her voluntary act and deed.

BEFORE ME:




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

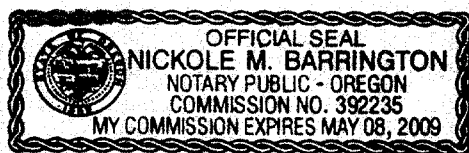
INTEGRAL YOUTH SERVICES, INC.

Sherry R. Wegener
Sherry R. Wegener, Executive Director

Integral Youth Services, Inc. hereby accepts the above described property from the City of Klamath Falls, subject to the limitations and conditions set forth in the foregoing instrument, this 3rd day of March, 2008.

Personally appeared Sherry Wegener, the Executive Director of the above-named Grantee, this 3rd day of March, 2008, and acknowledged the foregoing instrument to be her/their voluntary act on behalf of Grantee.

BEFORE ME:



Nickole M. Barrington
Notary Public for Oregon
My Commission Expires: 5-8-2009

RIGHT-OF-WAY EASEMENT

[Exhibit A]

As part of the foregoing property conveyance, there is hereby reserved unto Grantor, **City of Klamath Falls, Oregon, a Municipal Corporation**, on behalf of the public, a perpetual, public right-of-way situated on a portion of Lot D of the Property legally described in the foregoing Bargain and Sale Deed incorporated herein by this reference. The Easement is legally described as follows:

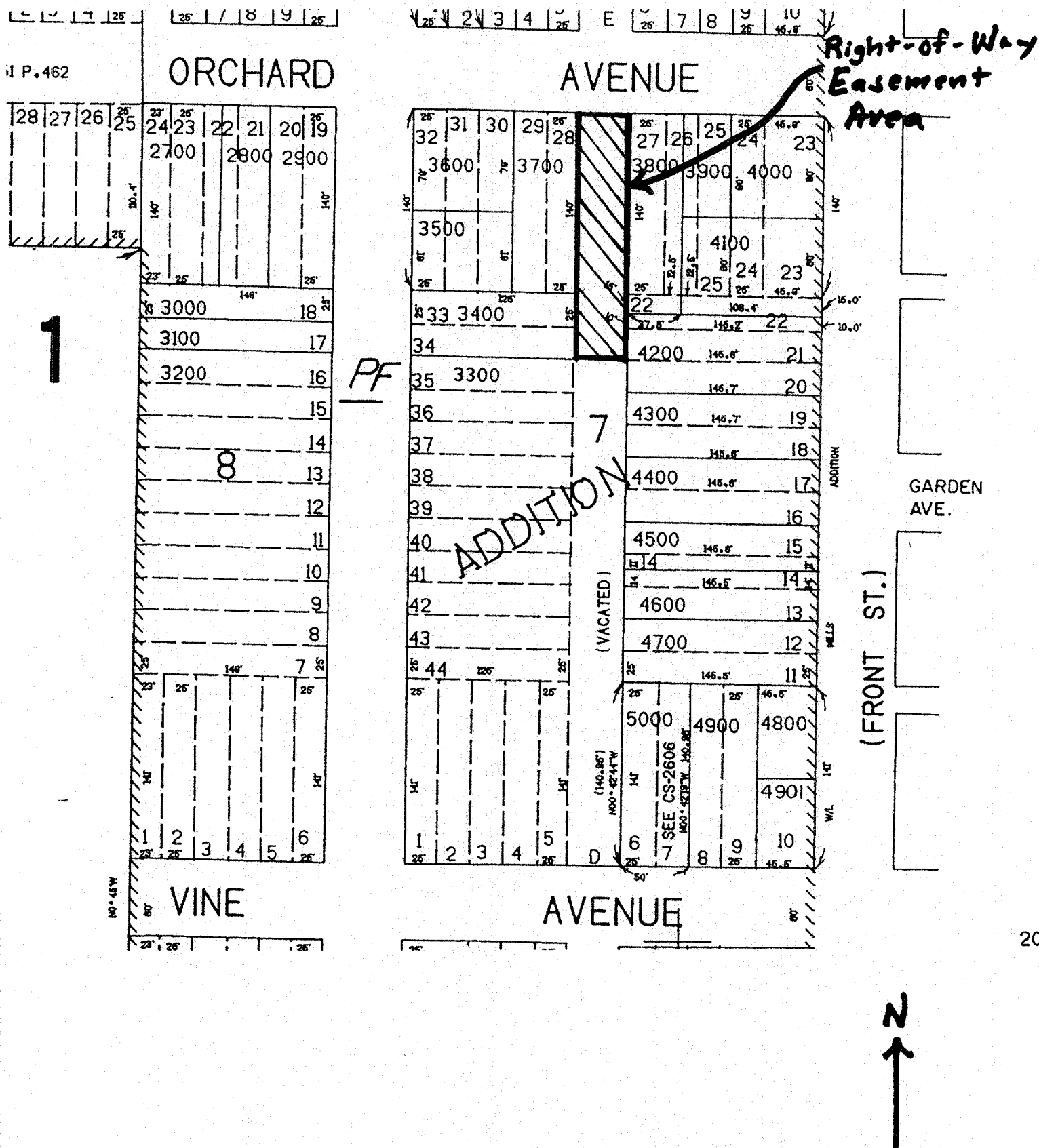
The northerly 190 foot long portion of Lot D, Block 7, Industrial Addition to the City of Klamath Falls, Klamath County, Oregon, situated generally north of the northerly lot line of Lot 35 of said Block 7, said Lot line being extended easterly across said Lot D (the "Easement Area").

The Easement Area is depicted on attached Exhibit A-1, incorporated herein by this reference.

The terms of this Easement are as follows:

1. The Property as described in the foregoing Bargain and Sale Deed is burdened by this Easement.
2. This Easement shall be used for public vehicular and pedestrian access and for installation, maintenance, repair, replacement and use of public utilities and all necessary appurtenances in, upon, over, across and under the Easement Area, together with the right of reasonable ingress and egress over and the Property for purposes of Grantor City's use of this Easement. In conjunction with such use, Grantor City, and others authorized to utilize the Easement, may construct, reconstruct, maintain and repair the roadway and/or utilities situated within this Easement as permitted and allowed by City.
3. Grantee, Integral Youth Services, Inc. ("Grantee IYS") shall NOT use the Easement Area for any purpose except ingress and egress to the Property without first complying with the encroachment provisions of the Klamath Falls City Code (currently §§ 8.470, *et seq.*).
4. Grantor City agrees to indemnify, defend and hold harmless Grantee IYS from any loss, claim or liability to Grantee IYS arising out of use of the Easement. Grantor City assumes all risk arising out of use of the Easement, and Grantee IYS shall have no liability to Grantor City or others for any condition existing thereon.
5. This Easement and rights reserved herein shall be perpetual and exclusive.
6. This Easement shall run with the land as to all properties benefited and burdened by this Easement, including any division or partition of the Property. The rights, covenants and obligations of this Easement shall bind, burden and/or benefit each party's successors, assigns, heirs or beneficiaries under a deed of trust.

Exhibit A-1



205.0

ACCESS EASEMENT

[Exhibit B]

As part of the foregoing property conveyance, there is hereby reserved unto Deed Grantor, **City of Klamath Falls, Oregon, a Municipal Corporation** (referred to in this Easement as "City"), a perpetual, non-exclusive access easement situated on a portion of Lot D of the Property legally described in the foregoing Deed. The Easement is legally described as follows (the "Easement Area"):

The southerly, 216 foot long portion of Lot D, Block 7, Industrial Addition to the City of Klamath Falls, Klamath County, Oregon situated generally south of the southerly lot line of Lot 41 of said Block 7, said Lot line being extended easterly across said Lot D.

The Easement Area is depicted on attached Exhibit B-1 incorporated herein by this reference.

The terms of this Easement are as follows:

1. The Property as described in the foregoing Deed is burdened by this Easement. Lots 1 through 5, inclusive, and Lots 42 through 44, inclusive, of Block 7, and Lots 1 through 16, inclusive, of Block 8, all in the Industrial Addition to the City of Klamath Falls, Klamath County, Oregon are benefited by this Easement (the "Benefited Properties").
2. This Easement shall be perpetual and non-exclusive and shall be used for the purpose of providing access to the Benefited Properties. Benefited Properties and Deed Grantee, Integral Youth Service, Inc. (referred to in this Easement as "Grantee IYS"), shall each bear a proportionate share of the expenses for designing, constructing and maintaining such access in proportion to their relative use of the Easement Area.
3. Grantee IYS and Deed Grantor City shall not erect any buildings or other permanent structures within the Easement Area, or plant vegetation in the Easement Area, that would interfere with use of the Easement Area for access purposes. Grantee IYS shall also have the right to utilize the Easement Area for access subject to the provisions of Paragraph 2 above. Grantee IYS agrees that any other use by Grantee IYS of the Easement Area permitted herein shall not interfere with the use and enjoyment of the Easement Area by the Benefited Properties as authorized herein.
4. The Easement shall run with the land as to all properties benefited and burdened by this Easement, including any division or partition of the Property or the Benefited Properties. The rights, covenants and obligations of this Easement shall bind, burden and /or benefit each party's successors, assigns, heirs or beneficiaries under deed of trust.

