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09/03/2009 01:30:10 PM

Fee: \$26.00

After Recording Return to:
City Planning Department
226 South 5th Street
Klamath Falls, OR 97601

LOCAL IMPROVEMENT CONTRACT

City of Klamath Falls, Oregon

This Agreement is entered into this 3rd day of August 2009, by and between the City of Klamath Falls (City) and Stephen Gaston (Owner):

WHEREAS, Owner is the legal owner of the following described real property ("Property"):

Lot 2 and the south one-half of Lot 1, Block 28, Hillside Addition to the City of Klamath Falls, situated in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 29, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon;

Map and Tax Lot Numbers: R-3809-029DA-07401 and R-3809-029DA-07500
Property Address: 1434 Johnson Avenue; and

WHEREAS, Owner desires to develop the Property, which will contribute to the need for, as well as benefit from, the following improvements:

Construction of right-of-way improvements including grading, pavement, alleys, gutters, pathways, sidewalks, storm drains, illumination, traffic control devices and all other improvements necessary to bring the streets into compliance with the City's applicable street standards; and

WHEREAS, a condition of the Owner's land use approval from City for the development of the Property 8-P-08 is Owner's agreement to participate in the cost of said future improvements;

NOW THEREFORE, In consideration of the foregoing recitals and the conditions and obligations set forth herein:

THE PARTIES HERETO AGREE AS FOLLOWS:

1. City agrees not to require Owner to improve the right-of-way at this time. In the event and at such time as the City initiates the formation of a Local Improvement District (LID) for the funding and construction of the improvements designated above, Owner hereby waives any and all right to remonstrate against formation of a Local Improvement District (LID) by the City for the purpose of improving Johnson Avenue and assessing the proportionate cost to benefited properties pursuant to the City's right-of-way improvement regulations in effect at the time of such improvement.

The phrase "right to remonstrate against the formation of an LID" refers solely to a property owner's right under the City Charter Section 38 to be counted as part of an extraordinary majority of property owners that can, in certain circumstances, suspend proceedings on formation of an LID for six months. The waiver of this right does not limit or otherwise restrict the ability of a property owner bound by this covenant to appear at any of the required public hearings and testify regarding formation of the LID, whether the boundaries include all benefited property, the equity of the assessment formula, the scope and nature of the project or of the final assessment, or any other issue regarding the LID.

2. City agrees that a LID assessment levied against Owner's Property shall not exceed the benefit conferred upon the Property.
3. In the event that a suit or action is instituted to enforce the terms of this covenant, the prevailing party shall be

entitled to recover reasonable attorneys fees and all other fees, costs and expenses incurred in connection with the suit or action, including any appeals, in addition to all other amounts allowed by law

4. This agreement shall run with the Property and shall be binding upon and inure to Owner and Owner's successors in interest to the Property.

CITY OF KLAMATH FALLS

By: [Signature]

Attest: Robert Riley

Dated: 9-1-09

OWNER

[Signature]
Stephen Gaston

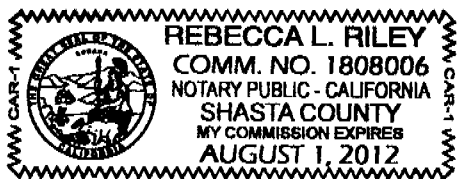
Dated: 8/3/09

STATE OF California)

) ss.

County of Shasta)

This instrument was acknowledged before me this 3rd day of August, 2009, by Stephen Gaston.



[Signature]
NOTARY PUBLIC FOR CALIFORNIA
My commission expires: 8/1/12