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Fee: \$87.00

**After Recording Return to:**

Housing and Community Services  
 Attn: Multifamily Housing Section  
 725 Summer Street, Suite B  
 Salem, OR 97301-1266

1628957

SPACE ABOVE FOR RECORDERS USE

**HOUSING AND COMMUNITY SERVICES DEPARTMENT  
 STATE OF OREGON**

**9% LOW-INCOME HOUSING TAX CREDIT  
 DECLARATION OF LAND USE RESTRICTIVE COVENANTS**

**THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS**, (this "Declaration"), dated as of January 28, 2011, by Iris Glen Townhomes, LLC, and its successors and assigns (the "Owner") is given as a condition precedent to the allocation of low-income housing credits by the State of Oregon, acting by and through its Housing and Community Services Department, together with any successor to its rights, duties, and obligations, (the "Department").

**WITNESSETH:**

WHEREAS, the Owner is or shall be the owner of an Six (6) building, Thirty-Seven (37) unit rental housing development located on lands in the City of Klamath Falls, County of Klamath, State of Oregon, more particularly described in **Exhibit A** hereto, known as or to be known as Iris Glen the ("Project"); and

WHEREAS, Department has been designated by the Governor of the State of Oregon as the housing credit agency for the State of Oregon for the allocation of 2009 low-income housing tax credit dollars (the "Credit"); and

WHEREAS, the Owner has applied to Department and entered into a Reservation and Extended Use Agreement for an allocation of Credit to the Project in an amount not to exceed Seven Hundred Thirty-Two Thousand, One Hundred Sixty, (\$732,160.00) of 2009 low-income housing credit allocation; and

WHEREAS, Department has agreed to issue a Form 8609 to the Owner upon the execution and recording of this Declaration which constitutes part of the Reservation and Extended Use Agreement; and

WHEREAS, the Owner has represented to Department in Owner's Low-Income Housing Tax Credit Application (the "Application") dated December 17, 2010, that Owner shall lease/rent Forty Percent (40%) of the units in the Project to individuals or families whose income is Sixty Percent (60%) or less of the area family adjusted median gross income ("Low-Income Tenants") as determined in accordance with Section 42 of the Internal Revenue Code (the "IRC"); and

WHEREAS, Department has determined the Project would require a Credit allocation in the amount of Seven Hundred Thirty-Two Thousand, One Hundred Sixty Dollars (\$732,160.00) of 2009 tax credit allocation to be financially feasible; and

WHEREAS, the Owner has represented to Department rent restrictions it will maintain for the period of time as specified in the Reservation and Extended Use Agreement; and

WHEREAS, the IRC requires as a condition precedent to the allocation of the Credit that the Owner execute, deliver and record this Declaration in the official land deed records of the county in which the Project is located in order to create certain covenants running with the land for the purpose of enforcing the requirements of IRC Section 42 and Department's Occupancy Restrictions found in Section 5 hereof by regulating and restricting the use, occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Owner, under this Declaration, intends, declares, and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy, and transfer of the Project shall be and are covenants running with the Project land for the term stated herein and binding upon all subsequent owners of the Project land for such term, and are not merely personal covenants of the Owner,

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

### **SECTION 1 - DEFINITIONS**

All the words and phrases used in this Declaration shall have the same meaning as when used in IRC Section 42, Treasury Regulations or Notices promulgated pursuant to IRC Section 42, Department Administrative Rules, and the Department of Housing and Urban Development ("HUD") Regulations unless the context requires otherwise.

### **SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND**

- (a) Upon execution of this Declaration, the Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to Department an executed original or certified copy of the recorded Declaration showing the date, deed book and page numbers of record. The Owner understands and agrees that Department will not issue the Internal Revenue Service Form 8609 constituting final allocation of the Credit unless and until Department has received the recorded executed original of this Declaration.
- (b) The Owner intends, declares, and covenants, on behalf of itself and all future Owners and operators of the Project during the term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (I) shall be and are covenants running with the Project land for Forty (40) years until February 1, 2051, and encumbering the Project for the term of this Declaration, whichever is later, binding upon the Owner's successors in title and all subsequent Owners and Operators of the Project (II) are not merely personal covenants of the Owner, and (III) shall bind the Owner (and the benefits shall inure to Department and, as herein limited, to any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Declaration. The Owner hereby agrees that any and all requirements of the laws of the State of Oregon to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project. For the longer of the period this Credit is claimed or the term of this Declaration, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed, or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

- (c) The Owner covenants to obtain the consent of any prior recorded lien holder on the Project to this Declaration and such consent shall be a condition precedent to the issuance of Internal Revenue Service Form 8609 constituting final allocation of the Credit.
- (d) Notwithstanding any interests hereunder or in the Reservation and Extended Use Agreement inuring to the benefit of past, present or prospective tenants of the Project pursuant to Section 2(b) above or otherwise, Department may compromise, waive, amend or modify this Declaration or the Reservation and Extended Use Agreement (with the written consent of Owner) as it determines, in its sole discretion, to be to the benefit of Department, the Project, the Low-Income Housing Tax Credit Program or Department efforts to provide or maintain safe and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification must be in writing and signed by an authorized Department representative. Third-party beneficiaries under this Declaration (or under the Reservation and Extended Use Agreement) shall have no claim, cause of action or other right of recourse against Department with respect to any action or lack of action taken by Department with respect to this Declaration, the Reservation and Extended Use Agreement or the Project, arising from their rights under this Declaration (or under the Reservation and Extended Use Agreement).

### **SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER**

The Owner hereby represents, covenants, and warrants as follows:

- (a) The Owner (I) is a Limited Liability Company duly organized under the laws of the State of Oregon, and is qualified to transact business under the laws of the State of Oregon, (II) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (III) has the full legal right, power and authority to execute and deliver this Declaration.
- (b) The execution and performance of this Declaration by the Owner (I) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, (II) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (III) will not result in the creation or imposition of any prohibited encumbrance of any nature.
- (c) The Owner will, at the time of execution and delivery of this Declaration, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Declaration, any Loan Documents relating to the Project or other permitted encumbrances).
- (d) There is no action, suit, or proceeding at law or in equity, or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.
- (e) The Project constitutes or will constitute a qualified low-income building or qualified low-income project, as applicable, as defined in IRC Section 42 and applicable regulations.
- (f) Each unit in the Project contains complete facilities for living, sleeping, eating, cooking, sanitation and satisfies any other applicable criterion in IRC §42(i)(3)(B), including that such units are to be used on

other than a transient basis (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless in a manner consistent with IRC §42(i)(3)(B)(iii)).

- (g) During the Term of this Declaration, all units subject to the Credit shall be leased, rented or made available to members of the general public who qualify as Low-Income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in Section 42(g) of the IRC.
- (h) The Owner agrees that tenant and third parties will be eligible to enforce IRC Section 42 entitlements as provided by the Fair Housing Act, as amended.
- (i) During the term of this Declaration, the Owner covenants, agrees and warrants that each low-income unit is and will remain habitable.
- (j) Subject to the requirements of IRC Section 42 and this Declaration, the Owner may sell, transfer, or exchange the entire Project at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Declaration and to the requirements of IRC Section 42 and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer, or exchange of the project or any low-income portion of the Project. The Owner agrees that Department may void any sale, transfer, or exchange of the Project if the buyer or successor or other person fails to assume in writing the requirements of this Declaration and the requirements of IRC Section 42. Notwithstanding the foregoing, the owner shall not dispose of any portion of a building which constitutes a portion of the Project and to which this Declaration applies unless the entire building is disposed of to such person.
- (k) The Owner agrees to notify Department in writing prior to any sale, transfer, or exchange of the entire Project or any low-income portion of the Project.
- (l) The Owner will provide certified financial documentation acceptable to Department to satisfy the calculation of a qualified contract and to begin the one year period for finding a buyer in accordance with IRC Section 42(h)(6) if desired.
- (m) The Owner shall not demolish any part of the Project, substantially subtract from any real or personal property of the Project, or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Declaration unless required by law or unless Department has given its prior written consent.
- (n) The Owner represents, warrants, and agrees that if the Project, or any part thereof, shall be damaged, destroyed, shall be condemned, or acquired for public use, the Owner will use its best efforts, subject to the rights of any mortgagee, to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.
- (o) The Owner warrants that it has not and will not execute any other Declaration with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.
- (p) The applicable fraction for each building of the Project during the term of this Agreement shall not be less than the applicable fraction specified in the Low-Income Housing Tax Credit Reservation and Extended

Use Agreement (the "Agreement") executed by the Owner as Forty Percent (40%) percent. [See IRC Section 42(h)(6)(B)]

- (q) DEPARTMENT may require the Owner to reduce rents charged for low-income units if property taxes imposed upon the Project are reduced because of a change in Oregon law. Any reduction in rent required by Department shall not exceed the reduction in property taxes, taking into account any replacement taxes or equivalent charges.
- (r) If the Section 8 Income Limits used to determine rent limits are reduced to account for a reduction in property taxes imposed on the Project because of a change in Oregon law or if rents are otherwise reduced by federally subsidized housing assistance programs or comparable program to account for a reduction in property taxes imposed on the Project because of a change in Oregon law and Department determines that the reduced rent charged for low-income units in the Project appropriately reflects the reduction in property taxes, then Section 3(q) of this Declaration shall not apply.
- (s) The owner will not refuse to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.
- (t) The owner agrees to fill out and sign Part II of the Form 8609 required to be completed by the building owner for the first year of the credit period and return a copy (without Schedules and other supporting documents) to Department for the purposes of compliance monitoring.
- (u) DEPARTMENT may charge a reasonable fee comparable to fees charged by Department for monitoring activities in accordance with Section 8(d) of this Declaration for rent reviews and determinations made pursuant to Sections 3(q) and 3(r) of this Declaration.

#### SECTION 4 -INCOME RESTRICTIONS; RENTAL RESTRICTIONS

The Owner represents, warrants, and covenants that from and after initial occupancy and throughout the remaining term of this Declaration and in order to satisfy the requirements of IRC Section 42 ("Section 42 Occupancy Restrictions") that;

- (a) Chose one of the below:
  - (1)  At least 20 percent or more of the residential units in the Project will be both rent-restricted and occupied by individuals whose income is 50 percent or less of family adjusted area median income.
  - (2)  At least 40 percent or more of the residential units in the Project will be both rent-restricted and occupied by individuals whose income is 60 percent or less of family adjusted area median income.
- (b) Department may require that the determination of whether a tenant meets the low-income requirement be made by the Owner or his designated agent at least annually on the basis of the current income of such Low-Income Tenant.

#### SECTION 5 - DEPARTMENT'S OCCUPANCY RESTRICTIONS

The Owner represents, warrants and covenants throughout the term of this Declaration that:

- (a) Project rents will not exceed the gross rent allowable under IRC Section 42.
- (b) The Owner will extend the income and rental restrictions of IRC Section 42 for Forty (40) years. This is in excess of the required 15 year compliance period.
- (c) Regardless of any provision in this Declaration to the contrary, Department occupancy, rent and use restrictions provided by this Declaration shall remain in place for a period of for Forty (40) years or until February 1, 2051 except in the case of foreclosure or deed in lieu of foreclosure of a prior recorded lien to this Declaration as provided in Section 6(b)(1) but subject to Section 6(c) of this Declaration.
- (d) The Owner will terminate the tenancy of a Project tenant only for: (i) material noncompliance of lease terms including, but not limited to substantial lease violations, fraud, repeated minor violations and nonpayment of rent; (ii) drug abuse and other criminal activity; (iii) material failure to carry out obligations under Oregon's landlord and tenant act, ORS chapter 90; or (iv) other good cause.
- (e) The Owner will establish the earliest date upon which the Owner may request Department to assist in procuring a qualified contract for the acquisition of the low-income portion which is a part of the Project to after year 29, from the year the project was placed in service.
- (f) The Owner     will/ X will not prescribe that operating reserves when released from restricted use shall be wholly used to subsidize tenant rents consistent with guidelines prescribed by Department.

#### **SECTION 6 - TERM OF DECLARATION**

- (a) Except as hereinafter provided, this Declaration and the IRC Section 42 Occupancy Restrictions specified herein shall commence with the first day in the Project period on which any building which is part of the Project is placed in service and shall end on the date which is 15 years after the close of the compliance period.
- (b) The Owner shall comply with the requirements of IRC Section 42 relating to the extended use period, provided, however, this Declaration and the extended use period for any building which is part of this Project shall terminate:
  - (1) On the date the building is acquired by foreclosure or instrument in lieu of foreclosure; or
  - (2) On the last day of the one-year period specified in IRC Section 42(h)(6)(I), if the Owner has properly requested in accordance with IRC Section 42 that Department assist in procuring a qualified contract for the acquisition of the low-income portion of any building which is a part of the Project, Department and the Owner have agreed upon the terms of sale as specified in Section 3(I) of this Declaration, and Department is unable to present a qualified contract within one year of reaching written agreement regarding the terms of sale.
- (c) Notwithstanding subsection (b) above, IRC Section 42 rent requirements shall continue for a period of three years following the termination of the extended use requirement pursuant to the procedures specified in subsection (b) above for those tenants existing as of the date of termination. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent above the maximum

allowed under the IRC with respect to such low-income unit.

- (d) If the Owner has agreed to optional Department's Occupancy Restrictions as reflected in Section 5 of this Declaration, neither this Declaration nor the extended use period shall terminate until the time period for compliance with such Department's Occupancy Restrictions has expired subject to earlier termination under Section 6(b)(1) above.

#### **SECTION 7 - ENFORCEMENT OF DEPARTMENT'S OCCUPANCY RESTRICTIONS**

- (a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of Department, to inspect any books and records of the Owner regarding the Project with respect to the incomes of Low-Income Tenants which pertain to compliance with Department's Occupancy Restrictions specified in this Declaration.
- (b) The Owner shall submit any other information, documents, or certifications requested by Department which Department shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of Department's Occupancy Restrictions specified in this Declaration.

#### **SECTION 8 - ENFORCEMENT OF SECTION 42 OCCUPANCY RESTRICTIONS**

- (a) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of IRC Section 42 and applicable regulations of this Declaration. Moreover, Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary, in the opinion of Department) to comply fully with the IRC and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed and published by the United States Department of the Treasury, the Internal Revenue Service, or HUD from time to time pertaining to Owner's obligations under IRC Section 42 and affecting the Project.
- (b) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with restrictions provided in this Declaration is to assure compliance of the Project and the Owner with IRC Section 42 and the applicable regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING TAX CREDITS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT DEPARTMENT AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.
- (c) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by Department and all persons interested in Project compliance under IRC Section 42 and the applicable regulations.
- (d) The Owner agrees to take any and all actions reasonably required by Department to substantiate the Owner's compliance with occupancy restrictions of IRC Section 42 as now constituted or subsequently amended and other occupancy restrictions of Department as now constituted or subsequently adopted and

will pay a reasonable fee to Department for the Department's monitoring of the Owners compliance based upon Department's monitoring costs.

- (e) This Declaration and the Reservation and Extended Use Agreement of which it is a part may be enforced by Department or its designee in the event the Owner fails to satisfy any of the requirements herein. In addition, this Declaration shall be deemed a contract enforceable by one or more Tenants as third-party beneficiaries of the Declaration and Reservation and Extended Use Agreement subject to any and all limitations in this Declaration with respect to such third-party beneficiary interests and rights. In the event the Owner fails to satisfy the requirements of this Declaration or the Reservation and Extended Use Agreement and legal costs are incurred by Department or one or more of the tenants or beneficiaries, such legal costs, including attorney fees and court costs (including costs of appeal), are the responsibility of, and may be recovered from, the Owner.

## SECTION 9 - FUTURE TRANSFER OF OWNERSHIP, QUALIFIED CONTRACT

This Section (choose one of the below)

Will apply to the Project described herein:

Will not apply to the Project described herein:

- a) For the purpose of ensuring the Project will continue to be used as affordable housing, Owner hereby agrees to transfer the Project to a "qualified nonprofit organization" [as defined in IRC 42(h)(5)(C)] acceptable to the Owner, Department and the mortgage lender after the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the Project, or as soon thereafter as the transfer can be consummated, on the following terms:
- 1) The consideration for the transfer shall be in accordance with the formula in IRC Section 42(h)(6)(F) in an amount equal to the sum of (a) the principal amount of outstanding indebtedness secured by the Project, (b) the adjusted investor equity in the building, and (c) other capital contributions not reflected in the amounts described above, reduced by cash distributions from (or available for distribution from) the project.
  - 2) Owner shall be under no obligation to transfer the project to a qualified organization in the event that no acceptable qualified organization agrees in writing to accept title and assume Owner's obligations before the end of the calendar year falling 15 years after the issuance of the Forms 8609 for the project.
  - 3) In making the determination of the transferee qualified nonprofit organization, first right of refusal shall be given to Klamath Housing Authority, an Oregon public body corporate and politic.
  - 4) Any controversy related to the selection of the transferee qualified organization shall be settled by arbitration pursuant to the rules of the American Arbitration Association.
- b) Owner further covenants to use its reasonable best efforts to assure, at the time of the transfer: (i) the Project is generating sufficient cash flow to service Project debt and pay Project operating



- (f) Survival of Obligations. The obligations of the Owner as set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation.
- (g) Certifications. The Iris Glen Townhomes, LLC hereby certifies that all information pertinent to Section 42 of the Internal Revenue Code, as amended, has been considered by the Iris Glen Townhomes, LLC in the determination of eligible basis for the Iris Glen. This consideration includes but is not limited to any rule changes, Private Letter Rulings, Technical Assistance Memoranda, considerations, IRS guidance, etc.

The Iris Glen Townhomes, LLC further certifies that its project accounting and legal professionals/representatives have also considered the above in their advice to and review of the Iris Glen.

IN WITNESS WHEREOF, the Owner has caused this Declaration to be signed by its duly authorized representatives, as of the day and year first written above.

**OWNER:**                    **IRIS GLEN TOWNHOMES, LLC**  
                                   **an Oregon For Profit Limited Liability Company**  
                                   TIN No.: 26-3814653

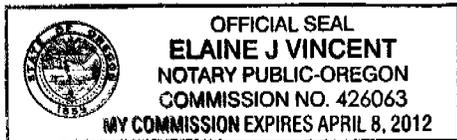
By:    **LDA Klamath Development, LLC,**  
           **an Arizona limited Liability company, it Managing Member**

By:    **Luckenbill-Drayton & Associates, LLC,**  
           **an Arizona limited liability company, its Managing Member**

By:    *Claudette M. Luckenbill*  
           Claudette M. Luckenbill, Manager

STATE OF OREGON    )  
                                   : ss  
 County of HOOD RIVER

The foregoing instrument was acknowledged before me this 25 day of JANUARY, 2011, by Claudette M. Luckenbill, Manager of Luckenbill-Drayton & Associates, LLC, who executed the foregoing instrument for on behalf of Iris Glen Townhomes, LLC.



*Elaine Vincent*  
 NOTARY PUBLIC FOR OREGON  
 My Commission Expires: 04-08-2012

## EXHIBIT A

Real property in the County of Klamath, State of Oregon, described as follows:

### PARCEL I

A PORTION OF LOTS 4, 5, 6, BLOCK 11, DIXON ADDITION TO THE CITY OF KLAMATH FALLS, IN THE COUNTY OF KLAMATH, STATE OF OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING ON THE EAST SIDE OF HILLSIDE AVENUE AT A POINT 36 FEET SOUTH OF THE NORTHWEST CORNER OF LOT 6, BLOCK 11, DIXON ADDITION TO THE CITY OF KLAMATH FALLS, OREGON; RUNNING THENCE SOUTH ALONG THE EAST SIDE OF SAID HILLSIDE AVENUE A DISTANCE OF 37 FEET; THENCE EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT 6 TO THE NORTHWESTERLY LINE OF FORT KLAMATH ROAD TO A POINT WHERE SAID LINE INTERSECTS WITH A LINE DRAWN EAST FROM SAID POINT OF BEGINNING AND PARALLEL WITH THE NORTH LINE OF SAID LOT 6; THENCE WEST TO THE POINT OF BEGINNING, BEING A TRACT OF LAND FRONTING 37 FEET ON SAID HILLSIDE AVENUE AND EXTENDING ACROSS LOTS 6, 5 AND 4 OF SAID BLOCK 11 TO FORT KLAMATH ROAD, SITUATE IN SOUTHWEST QUARTER OF SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, TOGETHER WITH AN EASEMENT FOR A DRIVEWAY ACROSS THE SOUTHERLY AND EASTERLY SIDE OF SAID LOT 4, BLOCK 11, CONVENIENTLY WIDE FOR A DRIVE FROM THE ALLEY IN THE REAR OF SAID LOT 4.

### PARCEL II

LOT 3 BLOCK 11, DIXON ADDITION TO KLAMATH FALLS, OREGON, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

### PARCEL III

LOTS 4, 6 AND 7 IN BLOCK 12 OF DIXON 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.

### PARCEL IV

LOTS 8 AND 9 IN BLOCK 12 OF DIXON 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. EXCEPTING THEREFROM PORTIONS CONVEYED TO STATE OF OREGON BY AND THROUGH ITS STATE HIGHWAY COMMISSION; PORTION LOT 8 BY DEED RECORD SEPTEMBER 22, 1944 IN VOLUME 169, PAGE 194; AND PORTION OF LOT 9 BY DEED RECORDED OCTOBER 04, 1944 IN VOLUME 169, PAGE 458, DEED RECORDS OF KLAMATH COUNTY, OREGON.

### PARCEL V

LOTS 10 AND 11 IN BLOCK 12 OF DIXON ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE RECORDS OF KLAMATH COUNTY, OREGON.

NOTE: This legal description was created prior to January 1, 2008.

APN: R375356 and R375338 and R375436 and R375463 and R375472 and R375481 and R375490 and R375506 and R375515