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City of Klamath Falls
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DEVELOPMENT AGREEMENT FOR KLAMATH WORKS CAMPUS

This non-statutory Development Agreement is entered into this 1st day of October, 2018, by and between the City of Klamath Falls, a municipal corporation and political subdivision of the State of Oregon (hereinafter referred to as "City") and KW Campus, LLC, an Oregon limited liability company (hereinafter referred to as "KW Campus") for the purpose of implementing the Klamath Works Campus Planned Unit Development. City and KW Campus are sometimes referred to herein collectively as the Parties, and individually as a Party.

RECITALS

- A. KW Campus has been engaged with the City in the planning and development, through design and permitting into construction, on a 14 lot commercial subdivision on approximately 19.8 acres of property located in Klamath Falls, Oregon;
- B. The subdivision, commonly known as the Klamath Works Campus, is envisioned as a centralized location in Klamath Falls for a unique consortium of public and private social service providers intended to collaboratively assist clients with the common goal of returning them to self-sufficiency by preparing them for work;
- C. The property was partially developed at the time of its acquisition by KW Campus with an approximately 29,000 square foot building and approximately 2.5 acres of parking;
- D. The primary roadways that serve as access routes include South 6th Street, Shasta Way (via connection from Union Avenue), and various minor roadways including Owens Street, East Main Street, and Union Avenue, with South 6th Street as the primary roadway facility which is classified as a major arterial with five lanes complete with sidewalks;
- E. The subdivision consists of two phases, Phase 1 (split into Phase 1a and Phase 1b) consisting of Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9, and Phase 2 wherein Lot 9 shall be further subdivided into Lots 10, 11, 12, 13, 14 and 15.
- F. The Klamath Works Campus is zoned as a separate Planned Unit Development ("Klamath Works Campus PUD"), with proposed uses that will have a variety of distinct characteristics to include, but not be limited to, professional offices, medical care facilities, medical offices, education, park, transitional housing, and is currently planned as the site of the Sky Lakes Medical Center ("Sky Lakes") Outpatient Care Management Department, the Klamath Works Job Training Program, a sobriety station supported by Sky Lakes and Klamath Basin Behavior Health, a satellite Klamath Basin Behavioral Health office for mental health services, and the Klamath Falls Gospel Mission;
- G. The Klamath Works Campus was designed using the Blue Zones Community Design Model to encourage a healthier community by promoting walkability, providing safer pedestrian crossings, minimizing pavement and maximizing green space; and,

H. The PUD and subdivision have been adopted by the City, the design and construction plans have been approved by the Public Works Engineering Department, the property has been tentatively subdivided, pending approval of the Phase 1 Final Plat, and KW Campus has bonded and begun construction on Phase 1a of the development.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and performance obligations of each Party as set out in this Development Agreement, City and KW Campus do hereby agree as follows:

1. **Recitals and Exhibits.** The above Recitals are true and correct and are incorporated herein by this reference. The following Exhibits are attached hereto and are made a part of this Development Agreement and incorporated herein by this reference: Exhibit A (Legal Description of Parcel); Exhibit B (Phase 1 Final Plat); Exhibit C (Phase 1a and 1b); and, Exhibit D (Phases 1a, 1b, and 2).
2. **Intent and Purpose.** This Development Agreement is intended to facilitate, control and manage the development of the Project. The Parties intend that it clearly define the maintenance responsibilities of each party of the rights-of-way, adjacent public parking and pedestrian easements, and infrastructure throughout the Klamath Works Campus. It is further the intent of the Parties that all development within the Klamath Works Campus follow the appropriate applications and procedures set forth by the City Municipal Code and the Community Development Ordinance, the Klamath Works Campus PUD Design Guidelines, and the Klamath Works Campus Architectural Review Committee Standards.
3. **Legal and Equitable Ownership.** KW Campus represents and warrants that it currently is the fee owner of the real property commonly known as the Klamath Works Campus. The legal description of the Klamath Works Campus is set forth in attached Exhibit A and incorporated herein by this reference.
4. **Definitions.**
 - 4.1 “Association” means the Klamath Works Campus Owners Association, Inc., an Oregon nonprofit corporation formed or to be formed to serve as the association of owners for the Klamath Works Campus.
 - 4.2 “Agreement” means this non-statutory Development Agreement.
 - 4.3 “Applicant” means KW Campus, LLC, and its agents, successors and assigns.
 - 4.4 “City” means the City of Klamath Falls, Oregon.
 - 4.5 “CDO” means the City of Klamath Falls Community Development Ordinance, as the same may be amended from time to time.

4.6 “Council” means the City Council of the City of Klamath Falls.

4.7 “Phase 1 Final Plat” means the Subdivision plat prepared by a professional land surveyor registered in the State of Oregon showing the Klamath Works Campus surveyed and platted in accordance with applicable standards.

4.8 “Klamath Works Campus” means the parcel of real property currently addressed as 1940 South 6th Street and found on Klamath County Assessor’s Tax Map R-3809-33CD, Tax Lots 601, 700, 800, 900, 1000, 1200, and 1500 in Klamath County, Oregon, legally described on the attached Exhibit A.

4.9 “KW Campus” means KW Campus, LLC, an Oregon limited liability company and its successors and assigns.

4.10 “Klamath Works Campus Architectural Review Committee Standards” means the standards that control building siting, location of parking, the relationship of buildings to the street, and the use of harmonious construction materials, certain of which were incorporated in the City’s approval process as required conditions of the Klamath Works Campus PUD.

4.11 “Klamath Works Campus PUD” or “PUD” means the Planned Unit Development approved by the City with Ordinance No. 17-04.

4.12 “Klamath Works Campus PUD Design Guidelines” means the design guidelines adopted in the Klamath Works Campus PUD approval.

4.13 “Owner” means the record owner, whether one or more persons or entities, of fee simple title to any Lot in the Subdivision.

4.14 “Parties” means the parties to this Development Agreement: KW Campus, LLC and the City of Klamath Falls and their successors and assigns.

4.15 “Planning Commission” means the duly appointed Planning Commission of the City of Klamath Falls.

4.16 “Project” means the herein-proposed building project and related improvements proposed and approved by the City pursuant to the terms and conditions of this Agreement.

4.17 “Subdivision” means the subdivision commonly known as the Klamath Works Campus PUD.

5. **Description of Development Authorized by this Development Agreement.**

5.1 **Permitted Use.** The permitted uses shall be those provided for in the Klamath Works Campus PUD.

5.2 Density. The maximum density applicable to development of the Project shall be as provided in the Klamath Works Campus PUD.

5.3 Maximum Height and Size of Structures. The maximum height and size of structures of the Project shall be as provided in the CDO.

5.4 Phase 1 Final Plat. The Parties agree that upon the effective date of this Agreement, the City agrees to approve the Final Plat as soon as practicable and shall allow it to be recorded, provided all other applicable standards are met and all other governmental approvals have been obtained.

6. Responsibility for Providing Infrastructure and Maintenance

6.1 Infrastructure. KW Campus shall be responsible for the construction of any new infrastructure necessary to support the Project including any required public facility and public utility improvements (street/traffic facilities, water, sewer and storm water), and any internal project infrastructure, including private utilities, and amenities necessary to support the Project. KW Campus shall donate to the City all common improvements, including but not limited to streets, sewage disposal, and water systems. KW Campus shall submit construction plans for review and approval detailing the construction of all public infrastructure along with all necessary reports to ensure the construction meets the standards of the City. KW Campus shall provide City a performance bond and a construction improvements agreement, in forms acceptable to City, to ensure all infrastructure improvements are constructed to meet applicable standards and to include a one-year warranty on the constructed improvements. All infrastructure improvements shall be developed and constructed in accordance with the provisions of the City's CDO, the City Council Decisions and Findings for the subdivision on file with City Planning, the approved construction and design plans on file with City Engineering under City Master File # #276815, City Public Works Engineering Design Standards, the requirements identified in the City's Site Construction Permit(s) on file with City Engineering under City Master File # #276815, and any other applicable federal, state, county or City laws that may apply.

6.2 Maintenance. KW Campus shall maintain, repair and replace the sidewalks and public paths within the Klamath Works Campus, all entry monuments and related signage, all street lighting installed by KW Campus, all PUD parking areas, and all public streets (including snow removal) within the Klamath Works Campus. In addition, KW Campus will handle snow removal on all sidewalks and paths on Lots, but each Owner will be solely responsible for all other maintenance of the sidewalks and paths on such Owner's Lot, as well as all other maintenance of, and snow removal from, all other portions of such Owner's Lot. KW Campus shall be responsible for maintaining all landscaping within the Klamath Works Campus in good condition and repair, including: (a) within all public rights of way; (b) on all Lots; and (c) on the public paths. The landscape maintenance obligations of KW Campus shall include the

maintenance, repair and replacement of all irrigation systems serving such landscaping. Notwithstanding the foregoing provisions, the Parties agree that the terms of this section are not intended to abrogate any obligations of KW Campus as set forth in the then current Code of the City of Klamath Falls, unless those obligations are specifically addressed herein.

6.3 Park. KW Campus shall be responsible for the design, construction and maintenance of the planned park within the Klamath Works Campus.

6.4 Responsibilities of Association. The Parties acknowledge that KW Campus intends to delegate its obligations under sections 6.2 and 6.3 to the Association, and City consents to such delegation, provided, however, that KW Campus shall remain responsible to City for the satisfactory performance of all such obligations. In the event Association fails to perform any of the obligations set forth in sections 6.2 or 6.3, City may elect to treat the failure as a breach of this Agreement by KW Campus.

7. Timing for Infrastructure

7.1 Phase 1a Infrastructure. Phase 1a includes development of Lots 1, 3, and 5, along with the following public improvements: 1) intersection improvements at South 6th Street and Stiles Way as specified within the city approved construction documents contained in the City Master File #276815; 2) restriction of outbound left turns at South 6th Street and Stiles Way concurrently with the extension of Shasta Way to East Main Street (when required under section 7.4); 3) all public facility and public utility improvements identified in the approved construction and design plans for Phase 1a on file with City Engineering under City Master File # #276815; and, 5) Stiles Way shall extend to the southern boundary of Lot 3.

7.2 Phase 1b Infrastructure. Phase 1b includes development of Lots 2, 4, 6, 7, 8 and 9 along with the following public improvements: 1) all public facility and public utility improvements identified in the approved construction and design plans for Phase 1b on file with City Engineering under City Master File # #276815; 2) restriction of northbound left turns at the intersection of South 6th Street and Owens Street with signage and striping treatments; 3) installation of new signage stating "Do Not Block Intersection" and striping at Union Avenue and East Main Street; and 4) extension of Stiles Way from the southern boundary of Lot 3 south to Owens Street.. In the event that the City determines the signage and striping treatment specified for restricting northbound left turns at the intersection of South 6th Street and Owens Street are ineffective, KW Campus shall install raised channelization to further restrict movements. KW Campus acknowledges and agrees that prior to the approval of any development application(s) on Lots 2, 4, 6, 7, 8 and 9, the Phase 1b public improvements must be constructed and a traffic trip debit letter must be submitted for review and status determination against the allowable 94 trips at the South 6th Street and Stiles Way intersection referenced in Section 7.4 below.

7.3 Phase 2 Infrastructure. Phase 2, wherein Lot 9 shall be further subdivided into Lots 10, 11, 12, 13, 14 and 15, includes development of Lots 10, 11, 12, 13, 14 and 15 along with the following public improvements: 1) all public facility and public utility improvements identified in the approved construction and design plans for Phase 2 on file with City Engineering under City Master File # #276815; and 2) the completion of the park referenced in section 6.3.

7.4 Development Restrictions. At the time each new development is submitted for design review, KW Campus shall submit a traffic analysis letter documenting the number of trips being created. Upon completion of the Phase 1a public infrastructure specified in section 7.1 and the Phase 1b public infrastructure identified in section 7.2, KW Campus shall be entitled to construct developments on the Project until such time as the Project generates a total of 95 weekday P.M. peak hour trips without the need for additional public infrastructure development other than those items described in sections 7.1, 7.2 and 7.3. Once the Project is determined to be generating a total of 95 weekday P.M. peak hour trips, KW Campus acknowledges and agrees to the following: a) further development shall not be approved within the PUD by City until such time that Shasta Way is extended from Owens Street to East Main Street; b) concurrently with the extension of Shasta Way, KW Campus shall modify the intersection of Stiles Way and South 6th Street to restrict left turn movement onto South 6th Street; and c) City does not commit to finance or construct the extension of Shasta Way as part of this Agreement.

8. Private Easements. In addition to the standard easements throughout the Project as referenced on the Phase 1 Final Plat, the following special easements shall be created: 1) Lots 1 through 14 shall have a cross pedestrian access, common driveway, and cross parking easement throughout; 2) Lots 1 through 14 shall have a cross storm storage (detention or retention), access, and maintenance easement throughout, with all surface swales and possible detention/retention systems interconnected to provide additional capacity and infiltration support for the Project, as described in the approved Master Plan Storm Drainage Report dated July of 2017; and, 3) Lots 7, 9, 11, and 12 shall have internal pedestrian connectivity between and through each Lot which shall be addressed when planning each site.

9. Schedule of Fees and Charges. Except as otherwise set forth below and in Exhibits to this Agreement, all development authorized in connection with the Project is subject to payment of any applicable System Development Charges (SDCs) and utility fees and charges at the applicable trigger times, usually development permit issuance, as specified in City ordinances and other codes in effect at the time development occurs. This Agreement does not freeze or otherwise fix the SDC charges, utility fees or other charges for development referenced herein.

10. Change in Law or Circumstances. In the case of any change in regional policy or federal or state law or other change in circumstance which renders compliance with this Agreement impossible or unlawful, the Parties will attempt to give effect to the remainder of this Agreement, but only if such effect does not prejudice the substantial rights of any Party under

this Agreement. If the substantial rights of any Party are prejudiced by giving effect to the remainder of this Agreement, then the Parties shall negotiate in good faith to revise this Agreement to give effect to its original intent.

11. Remedies.

11.1 It is the intent of the Parties to comply with the terms and conditions of this Development Agreement in good faith and for the mutual benefit of both KW Campus and the City.

11.2 In the event either Party believes a material breach of the terms and conditions of this Development Agreement has occurred, whether by action or inaction of a Party, the injured party shall serve written notice on the other of the alleged material breach, and the other Party shall then have thirty (30) days to cure or respond in writing to the Party claiming injury or material breach. In the event of a disagreement, after the exchange of writings, the City shall set a reasonable time, date, and place for a public meeting of the City Council. The meeting shall provide both the City and KW Campus with a reasonable opportunity to explain to the City Council the facts supporting or disproving the alleged material breach, and to allow the parties to propose a method of fulfilling the terms and conditions of this Agreement. The Parties may mutually negotiate an amendment to this Agreement to cure the alleged breach, and may approve such amendment, after any required notice, hearing and ordinance procedures, if applicable, are followed.

11.3 Until termination or revocation of this Agreement, the terms of this Agreement are enforceable by either Party. The Parties stipulate and agree that enforcement by the filing of an action in Klamath County Circuit Court is subject to the prerequisite administrative process set forth above. Thereafter, each party shall have all available remedies at law or in equity to recover damages and/or to compel performance of the other party pursuant to this Agreement. The rights and remedies afforded under this Agreement are not exclusive and shall be in addition to and cumulative with any and all rights otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different time, of any other remedy for the same default or breach or of any of its remedies for any other default or breach by the other parties, including, without limitation, the right to compel specific performance.

11.4 The Parties agree that the prevailing party in any court action filed to enforce this Agreement or to recover damages shall be entitled to an award of reasonable attorney fees and costs in the event of litigation, including any attorney fees and costs associated with any appeal.

12. Amendment, Termination or Revocation. KW Campus and City, their successors and assignees may mutually agree to amend, modify, terminate or revoke this Agreement. No modification, amendment or alteration in the terms or conditions contained in this Development Agreement shall be effective unless reflected in a written document approved and executed by

the Parties hereto. KW Campus acknowledges that amendments to this Agreement will require action of the City Council.

13. Assignment. This Agreement is binding upon City and KW Campus, and all their successors in interest, heirs, and assigns. This Agreement shall be fully assignable, in whole or in part, by KW Campus and City and shall bind and inure to the benefit of KW Campus and its assigns and successors.

14. Entire Agreement. This Agreement incorporates by reference all prior negotiations, correspondence, conversations, agreements or understandings or amendments applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, incorporated into, or referenced in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

15. Severability. If any clause, section, sentence or any other portion or any part of this Agreement or its Exhibits is contrary to, prohibited by, or deemed invalid or null and void for any reason under any applicable law or regulation, such provisions shall be inapplicable and deemed omitted to the extent so contrary, prohibited, invalid or void, however, the remainder hereof shall not be invalidated thereby and shall be given full force and effect to the fullest extent permitted by law. In the event of such invalidation or prohibition, the Parties shall meet to discuss amendments and alternatives to address and resolve the deficiency and the Parties further agree to negotiate in good faith to resolve such deficiencies.

16. Jurisdiction and Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the State of Oregon. The parties hereto further agree that any and all suits or actions at law shall initially be brought in the Circuit Court of the State of Oregon for Klamath County. This Agreement shall be construed and interpreted under the laws of the State of Oregon without reference to choice of law provisions.

17. Notices. All notices, demands, requests, or replies provided for or permitted by this Agreement shall be in writing and may be delivered by any one of the following methods: (a) by personal delivery; (b) by deposit with the United States Postal Service as certified or registered mail, return receipt requested, postage prepaid, to the addresses stated below; (c) by prepaid nationally-recognized overnight courier (such as UPS, overnight mail, or Federal Express). Notice deposited with the United States Postal Service in the manner described above shall be deemed effective three (3) business days after deposit with the Postal service. Notice by overnight express delivery service shall be deemed effective one (1) business day after transmission or after deposit with the express delivery service. Notice by personal delivery shall be deemed effective at the time of personal delivery. Any notice required or permitted to be given pursuant to the Agreement shall be writing and addressed as follows:

KW Campus, LLC: Richard E. Rico
Treasurer
KW Campus, LLC
2636 BIEHN STREET
Klamath Falls, OR 97601
Phone: 541-882-6311
Email: rrico@skylakes.org

cc: Administration
Sky Lakes Medical Center
2865 Daggett Avenue
Klamath Falls, OR 97601

City of Klamath Falls: Nathan Cherpeski
City Manager
City of Klamath Falls
500 Klamath Avenue
Klamath Falls, OR 97601
Phone: 541-883-5316
Email: ncherpeski@klamathfalls.city

Or otherwise addressed in such way with respect to a Party as that Party may, from time to time, designate in writing to the other Party and dispatched as provided in this Agreement.

18. Miscellaneous Provisions.

18.1 Headings. The titles of the sections in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of its provisions.

18.2 Waivers. No waiver made by either Party with respect to the performance, or manner or time thereof, or any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of the rights of the other Party making the waiver. No waiver by City or KW Campus or any provisions of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no waiver shall be construed to be a continuing waiver.

18.3 Time of the Essence. Time is of the essence in this Agreement.

18.4 Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on a Saturday, Sunday, or legal holiday in the State of Oregon, the period shall be extended to include the next day which is not a Saturday, Sunday, or such legal holiday.

18.5 Construction. In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and neuter, as the context may require. Certain definitions are set forth in preceding **Section 4** of this Agreement. This Agreement is the result of negotiations between, and has been reviewed by, the Parties and their respective legal counsel. This Agreement shall not be construed against either Party, and no consideration shall be given or presumption made, on the basis of which Party drafted this Agreement or any particular provision hereof or which Party supplied the form of agreement.

18.6 Good Faith and Reasonableness. The Parties intend that the obligations of good faith and fair dealing apply to this Agreement generally, and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement. The obligation to be reasonable shall only be negated if arbitrariness is clear and explicitly permitted as to the specific item in question, as in the case of a Party being given “sole discretion” or being allowed to make a decision in its “sole judgment.”

18.7 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by any third party, or by any other governmental entity or official challenging the validity of any provision of this Agreement, or the Ordinance adopting this Agreement, the parties agree to cooperate in defending such action.

18.8 Enforced Delay, Extensions of Time of Performance. In addition to the specific provisions of this Agreement, a performance by any Party shall not be in default where such default or delays is due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, unforeseen governmental restrictions imposed or mandated by governmental entities other than the City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations, litigation, or similar bases for excused performance which is not within the reasonable control of the Party to be excused; provided, however, that the Parties agree to proceed in good faith in accordance with the terms and conditions of this Agreement to the extent reasonable under the circumstances.

18.9 No Third Party Beneficiaries. City and KW Campus, and their successors and assigns, are the only Parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, or is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to any third persons unless such third persons are individually identified by name herein and expressly described as the intended beneficiaries of this Agreement.

18.10 Other Necessary Acts. Each Party shall execute and deliver to the other all such further instruments and documents and take such additional acts (which in the case of the City, shall require adopting necessary ordinances and resolutions) as may be reasonably necessary to

carry out this Agreement in order to provide and secure to the other Party the full and complete enjoyment of rights and privileges hereunder.

CITY OF KLAMATH FALLS

KW CAMPUS, LLC

By: [Signature],
Nathan Cherpeski, City Manager

By: [Signature]
Paul R. Stewart, Chair of the Board

APPROVED AS TO FORM BY LEGAL

[Signature]
City Attorney

State of OREGON

State of OREGON

County of KLAMATH

County of KLAMATH

This record was signed before me on (date)
OCTOBER 3, 2018 by
Nathan Cherpeski as City Manager of the
City of Klamath Falls and Michael Swanson
as the City Attorney for the City of Klamath
Falls.

This record was signed before me on (date)
OCTOBER 3, 2018 by Paul R. Stewart as
the Chair of the Board of KW Campus, LLC.

[Signature]
Notary Public – State of Oregon

[Signature]
Notary Public – State of Oregon



EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

A piece or parcel of land situated in the SE1/4 SW1/4 of Section 33, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows: Beginning at the intersection of the Southerly right of way line of South Sixth Street and the Westerly right of way of the O.C. & E. Railroad spur; said point being also the Northeasterly corner of that parcel of land conveyed at page 8265 of Volume M68, of Klamath County Deed Records; thence North 58° 24' 45" West along the Southerly right of way line of South Sixth Street 218.95 feet to a point; thence North 55° 48' 55" West along said right of way line 180.4 feet to the most Northerly corner of that parcel of land conveyed at page 5330 of Volume M72 of Klamath County Deed Records; thence South 0° 45' East 451.4 feet to a point; thence North 88° 11' 20" East 203.85 feet to a point; thence South 0° 51' 30" East 57.0 feet to a point; thence North 89° 15' East 129.0 feet to a point on the West right of way line of the O.C. & E Railroad spur; thence North 0° 45' West along said right of way spur 284.2 feet to the point of beginning with bearing based on County Survey No. 4254.

PARCEL 2:

A piece or parcel of land situated in the SE1/4 SW1/4 of Section 33, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows: Beginning at a point on the Westerly right of way line of the O.C. & E Railroad spur as the same is presently located and constructed from which the Northeasterly corner of that parcel of land conveyed on page 8265 of Volume M68 of Klamath County Deed Records bears North 0° 45' West 284.2 feet distance; thence South 0° 45' East along said railroad right of way 249.0 feet to a point; thence along a circular curve to the left (having a central angle of 14° 25' 10" a radius of 429.51 and a long chord which bears South 7° 57' 35" East 107.8 feet) a distance of 108.1 feet to a point; thence South 89° 15' West 286.55 feet to a point; thence North 37° 52' 10" West 284.80 feet to a point; thence North 1 degree 48' 40" West 180.0 feet to a point; thence North 88° 11' 20" East 319.2 feet to a point; thence South 0° 51' 30" East 57.0 feet to a point; thence North 89° 15' East 129.0 feet, more or less to the point of beginning with bearings based on County Survey No. 4254.

PARCEL 3:

A parcel of land situated in the SW1/4 of Section 33, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the South line of Section 33, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, from which the South quarter corner of said Section 33 bears North 89° 26' East 313.83 feet distant; thence North 0° 45' West 4.0 feet to an existing iron pin reference monument; thence North 0° 45' West 176.00 feet to an existing iron pin; thence North 89° 14' 40" East 166.00 feet to an existing iron pin; thence North 0° 45' 30" West 76.50 feet to an existing iron pin on the Westerly right of way line of the O.C. & E. Railroad Spur as the same is presently located and constructed; thence following said right of way line along a 13.34 degree curve to the right, the long chord of which bears North 21° 39' 25" West 72.70 feet, a distance of 72.8 feet to an iron pin; Continued thence South 89° 15' West 286.55 feet to an iron pin; thence North 37° 52' 10" West 284.8 feet to an iron pin; thence North 1 degree 48' 40" West 180.0 feet to a point; thence North 88° 11' 20" East 115.35 feet to a point on the Southwest corner of that parcel designated as Parcel A in recorded survey no. 1922; thence North 0° 45' West along the Westerly boundary of said Parcel A, 451.4 feet to a point on the Southerly right of way boundary of South Sixth Street as the same is presently located and constructed;

(Parcel 3 Continued)

thence North $68^{\circ} 29' 25''$ West along the Southerly right of way line of South Sixth Street 429.1 feet to a point on the Easterly right of way line of the Southern Pacific Railroad projected Northerly; thence South $0^{\circ} 45'$ East along said right of way line projected and along said right of way line 1195.1 feet to its intersection with the Northerly right of way line of the O.C. & E. Railroad; thence South $51^{\circ} 58'$ East along said Northerly right of way line 241.2 feet to its intersection with the South line of Section 33, Township 38 South, Range 9 East of the Willamette Meridian; thence north $89^{\circ} 26'$ East 415.45 feet, more or less, along said Section line to the point of beginning.

PARCEL 4:

A strip of land described as follows: Beginning at the intersection of the Westerly line of Owens Street and the Southerly line of Sixth Street as now located; thence North $56^{\circ} 01' 33''$ West, 176.10 feet, more or less, to the Easterly line of Deed Volume 82, page 96, and the true point of beginning of the strip of land to be described; thence South $0^{\circ} 57' 30''$ East along the Easterly line of said deed, 110 feet; thence North $56^{\circ} 01' 33''$ West 48.79 feet to the Westerly line of Deed Volume 82, page 96; thence North $0^{\circ} 57' 30''$ West 110 feet to the Southerly line of Sixth Street; thence South $56^{\circ} 01' 33''$ East 48.79 feet to the true point of beginning.

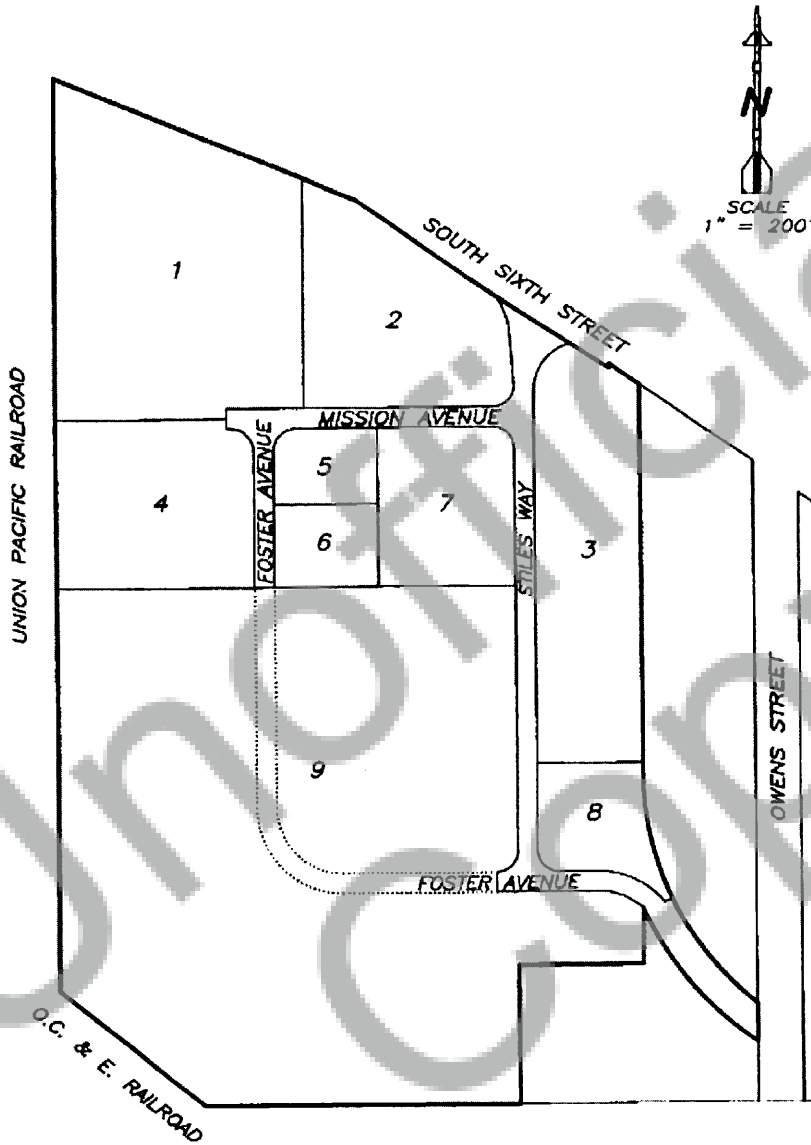
PARCEL 5:

A piece or parcel of land situated in the SE1/4 SW1/4 of Section 33, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows: Beginning at a point in the Southerly line of Sixth Street, City of Klamath Falls, County of Klamath, State of Oregon, said point lying distant 176.10 feet Westerly along the Southerly line of Sixth Street from the intersection of the Southerly line of the said Sixth Street with the Westerly line of Owens Street (formerly known as Front Street), running thence South $0^{\circ} 57' 30''$ East, a distance of 526.84 feet to a point; thence Southerly, along the arc of a curve, (said curve being tangent to the last mentioned course at the last mentioned point) concave to the left having a radius of 389.51 feet, a distance of 346.14 feet to a point in the Westerly line of Owens Street; thence South $0^{\circ} 55' 30''$ East, along the Westerly line of Owens Street, a distance of 50.02 feet to a point; thence Northerly along the arc of a curve (the tangent of the said curve bears North $56^{\circ} 05'$ West at the last mentioned point) concave to the right, having a radius of 429.51 feet, a distance of 413.24 feet, to a point; thence North $0^{\circ} 57' 30''$ West and tangent to the last mentioned course at the last mentioned point, a distance of 554.78 feet, to a point in the Southerly line of Sixth Street; thence South $56^{\circ} 01' 30''$ East, along the Southerly line of Sixth Street, a distance of 48.79 feet to the point of beginning. LESS AND EXCEPT a tract of land described as follows:

Beginning at the intersection of the Westerly line of Owens Street and the Southerly line of Sixth Street as now located; thence North $56^{\circ} 01' 33''$ West, 176.10 feet, more or less, to the Easterly line of Deed Volume 82, page 96, and the true point of beginning of the strip of land to be described; thence South $0^{\circ} 57' 30''$ East along the Easterly line of said deed, 110 feet; thence North $56^{\circ} 01' 33''$ West 48.79 feet to the Westerly line of Deed Volume 82, page 96; thence North $0^{\circ} 57' 30''$ West 110 feet to the Southerly line of Sixth Street; thence South $56^{\circ} 01' 33''$ East 48.79 feet to the true point of beginning.

EXHIBIT 'C'

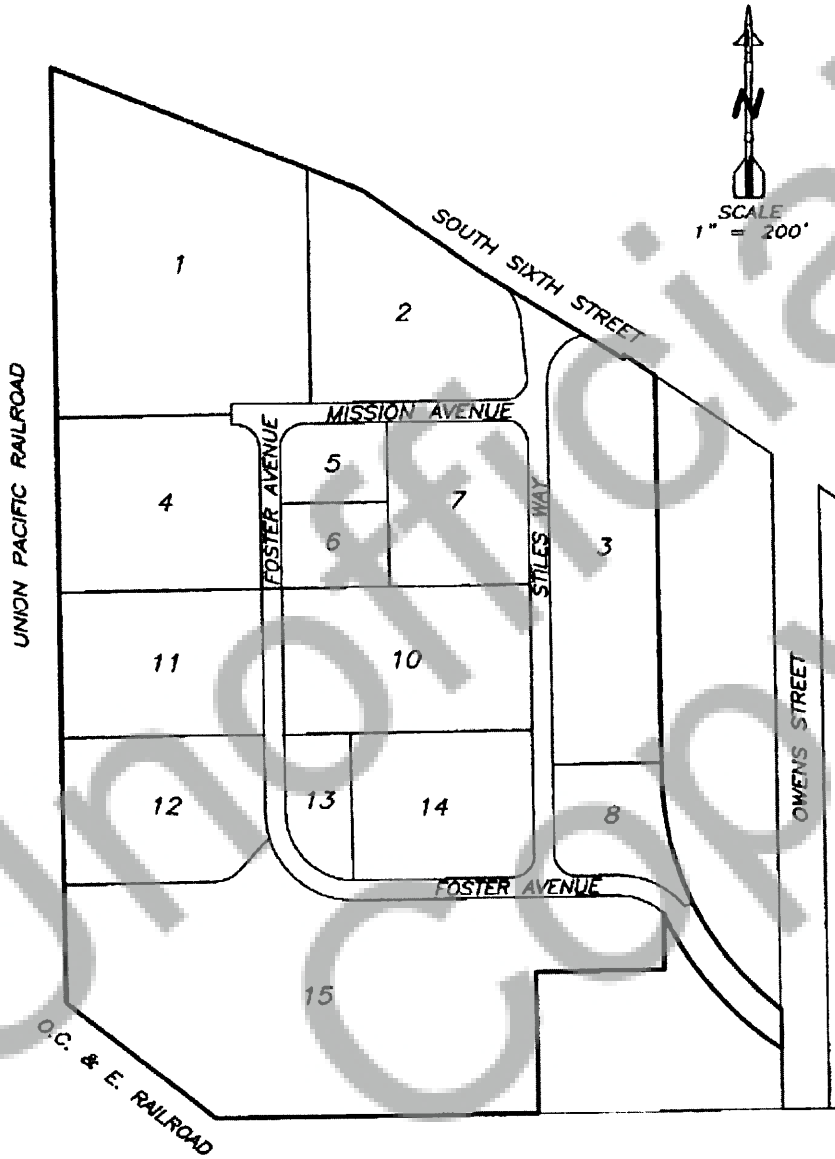
KLAMATH WORKS CAMPUS - PHASE 1A AND 1B



TRU SURVEYING LINE
2333 SUMMERS LANE
KLAMATH FALLS, OREGON 97603

EXHIBIT 'D'

KLAMATH WORKS CAMPUS - PHASES 1A, 1B, AND 2



TRU SURVEYING LINE
2333 SUMMERS LANE
KLAMATH FALLS, OREGON 97603