

Filed for Record at Request of  
and copy returned to:

McEwen Gisvold LLP  
Attn: John T. Witherspoon  
1600 Standard Plaza  
1100 S.W. Sixth Avenue  
Portland, Oregon 97204

#### DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS & EASEMENTS

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS & EASEMENTS (the "Declaration") is made and entered into as of the 7<sup>th</sup> day of April, 2022 (the "Effective Date") by CH TOWN & COUNTRY, LLC, a Delaware limited liability company ("Declarant").

#### WITNESSETH:

WHEREAS Declarant is the owner of the Town & Country Shopping Center located on certain property in Klamath Falls, Oregon as more particularly described on Exhibit A, attached hereto (the "Town & Country Property");

WHEREAS, the Town & Country Property consists of two (2) lots Lot 1 and Lot 2, as shown on the site plan attached hereto as Exhibit B (with Lot 1 being labeled Parcel 1 thereon and Lot 2 being labeled Parcel 2 thereon); and

WHEREAS, Lot 1 and Lot 2 shall each be known herein as a "Lot" and be known collectively herein as the "Lots"; and

WHEREAS, Declarant desires to establish reciprocal access, parking and utility easements over and across Lot 1 and Lot 2 and provide for certain other agreements between Lot 1 and Lot 2 all upon the terms and conditions set forth in this Declaration.

NOW, THEREFORE, the Declarant hereby declares that the Town & Country Property shall be benefited and burdened by the following easements and rights:

1. General Declaration. This Declaration shall take effect upon its execution by Declarant. This Declaration shall be promptly recorded in the land records of Klamath County, Oregon. This Declaration and the easements contained herein shall run with the title to Town & Country Property and shall be binding upon and to the benefit of each Lot's lessees, licensees, invitees, occupants and successors in interest in accordance with the terms of this Declaration. Except as specifically provided herein, this Declaration and the rights granted and created hereby, including but not limited to, the easements created hereunder, shall be superior to all leases, conveyances, transfers, assignments, contracts, mortgages, deeds of trust and other encumbrances on the Town & Country Property. Any person or entity foreclosing any such mortgage, deed of trust, lien or encumbrance and any persons or entities acquiring title to, or an interest in, all or any part of any of the Town & Country Property as a result thereof shall acquire and hold title expressly subject to the provisions of this Declaration. Any transfers of any interest in all or any part of any of the Town & Country Property shall automatically be deemed, by acceptance of such interest, to have agreed to be bound by all of the provisions of this Declaration and to have agreed to perform and do any and all things required to be done and performed by it hereunder.

2. Access Easement.

(a) Declarant hereby establishes, creates and grants for the benefit of Lot 1 and every person, firm, or entity hereinafter owning, or leasing, any part of the Lot 1, a perpetual non-exclusive easement of ingress and egress to and from Lot 2 to provide access for pedestrian and vehicular traffic to

and from South Sixth Street over the driveway portions of Lot 2 located within the area marked "Driveway and Parking Easement Area" on Exhibit B, attached hereto and incorporated herein by reference (the "Lot 2 Driveway Easement Area"). The access easement in favor of Lot 1 shall expressly include access over the Lot 2 Driveway Easement Area for tractor trailers and other supply vehicles to access the existing loading dock on the south side of the existing building located on Lot 1.

(b) Declarant hereby establishes, creates and grants for the benefit of Lot 2 and every person, firm, or entity hereinafter owning, or leasing, any part of the Lot 2, a perpetual non-exclusive easement of ingress and egress to and from Lot 1 to provide access for pedestrian and vehicular traffic to and from South Sixth Street and the paved roadway adjacent to Lot 1 over the driveway portions of Lot 1 located within the area marked "Driveway and Parking Easement Area" on Exhibit B, attached hereto and incorporated herein by reference (the "Lot 1 Driveway Easement Area").

(c) The Lot 1 Driveway Easement Area and the Lot 2 Driveway Easement Area shall be known collectively herein as the "Driveway Easement Area". Except as provided for herein, no fence or other obstruction that would interfere with the free flow of vehicular or pedestrian traffic shall be placed or erected on any portion of the Driveway Easement Area. It is understood and agreed that curbs, walkways, utilities, light poles and landscaped areas which do not obstruct or interfere with the free flow of traffic may be constructed in the Driveway Easement Area.

3. Utility Easement. Declarant hereby establishes, creates and grants for the benefit of Lot 1 and Lot 2 and every person, firm, or entity hereinafter owning, or leasing, any part of the Lot 1 or Lot 2, a perpetual non-exclusive easement to maintain, repair and replace utility facilities, such as water, gas, electric and telephone lines and storm and sanitary sewers under, upon and over the specific areas of the Town & Country Property where such utility facilities are located as of the date of this Declaration.

4. Parking Easements. Declarant hereby establishes, creates and grants for the benefit of the Town & Country Property and every person, firm, or entity hereinafter owning, or leasing, any part of thereof, a non-exclusive, perpetual vehicular parking easement over and across the striped parking areas located within the area marked "Driveway and Parking Easement Area" on Exhibit B. The owner of each lot shall have the right to restripe the parking area located on its lot from time to time.

5. Monument Signage. Declarant hereby establishes, creates and grants for the benefit of Lot 1 a signage easement whereby Lot 1 shall be entitled to the top two (2) panels on the existing monument sign serving the Town & Country Property as shown on Exhibit C (or any replacement monument sign erected to replace such existing monument sign) (the "Monument Sign"), attached hereto and incorporated herein by reference. Lot 1 shall not be entitled to any other signage on Lot 2.

6. Existing Lot 1 Leases.

(a) Declarant acknowledges that portions of Lot 1 are currently leased to (i) Harbor Freight Tools USA, Inc. ("Harbor Freight") pursuant to that certain Lease dated August 16, 2016 (the "Harbor Freight Lease") and (ii) PNS Stores, Inc., formerly known as Big Lots Stores, Inc. ("Big Lots") pursuant to that certain Shopping Center Lease dated January 31, 2005, as amended by that certain First Lease Extension and Modification Agreement dated April 11, 2011 and that certain Second Extension and Modification Agreement dated May 13, 2016 (collectively, the "Big Lots Lease"). Harbor Freight and Big Lots shall be known collectively herein as the "Existing Lot 1 Tenants". The Harbor Freight Lease and the Big Lots Lease shall be known collectively herein as the "Existing Lot 1 Leases."

(b) For so long as the Existing Lot 1 Leases remain in full force and effect, in no event shall Lot 2 be used for any purpose prohibited by the Existing Lot 1 Leases as they exist as of the date of this Declaration (but not including any future amendment to such Existing Lot 1 Leases).

(c) For so long as the Existing Lot 1 Leases remain in full force and effect, in no event shall any building be constructed on Lot 2 in areas where buildings do not exist today if such construction would not be permitted under the Existing Lot 1 Leases as they exist as of the date of this Declaration (but not including any future amendment to such Existing Lot 1 Leases). The Existing Lot 1 Tenants shall continue to have the same rights with respect to the parking areas located on Lot 2 as they have under the Existing Lot 1 Leases as they exist as of the date of this Declaration (but not including any future amendment to such Existing Lot 1 Leases).

7. Maintenance and Cost. The owner of Lot 2 shall maintain (i) the Driveway Easement Area; (ii) all parking areas; and (iii) the Monument Sign. The owner of each Lot shall maintain at its sole cost and expense any sidewalks located on its Lot and in no event shall the owner of Lot 2 maintain the sidewalks located on Lot 1. The owner of Lot 1 shall reimburse the owner of Lot 2 within thirty (30) days following receipt of an invoice for the Lot 1 Share (as such term is hereinafter defined) of costs incurred in the maintenance obligations described in the first sentence of this Section 7 which shall include, without limitation, the costs of snow and ice removal, grounds cleanup and lot sweeping. The owner of Lot 1 shall reimburse the owner of Lot 2 within thirty (30) days following receipt of an invoice for 100% of the sub-metered water and sewer costs allocable to Lot 1 as set forth in Section 8 below. In the event the owner of Lot 1 fails to pay any amount that it owes the owner of Lot 2 pursuant to this Section 7 within such thirty (30) day period, such amount shall (i) bear interest at the rate of twelve percent (12%) per annum or the maximum rate permitted under applicable law, which ever is less, and (ii) be secured by a continuing lien on Lot 1, which lien shall be prior to all other liens except the lien of any first in priority

mortgage or deed of trust. If no other notice address has been provided in writing to the owner of Lot 2 by the owner of Lot 1 then the owner of Lot 2 may provide invoices under this Section 7 to the address to which tax bills for Lot 2 are to be sent. As used in this Section 7 "Lot 1 Share" means the percentage obtained by dividing the rentable square footage of the building located on Lot 1 by the rentable square footage of the buildings located on the Town & Country Property. The allocation of costs related to the easements created in this Declaration shall be controlled by the terms of this Section 7 and in no event shall such costs be allocated based on any statutory or other basis including, but not limited to that set forth in ORS §105.175(3).

8. Shared Water Meter. Declarant shall install a sub-meter for the water meter located on Lot 2 and serving both Lot 1 and Lot 2 and the owner of Lot 1 owner shall reimburse the owner of Lot 2 for 100% of the sub-metered water and sewer costs allocable to Lot 1 in accordance with Section 7 above. The owner of Lot 2 shall have the right, but not the obligation, at its sole cost and expense, to install a separate water meter on Lot 1 to serve Lot 1.

9. Obligations of the Owners. The owner of each Lot shall maintain its Lot and all improvements located on such Lot to a standard comparable to that of comparable shopping centers in the area in general area in which the Town & Country Property is located. Additionally, the owner of each Lot shall be responsible for the payment of all real property taxes attributable to its Lot.

10. Insurance and Indemnity. The owner of each Lot shall maintain a commercial general liability insurance issued by an insurance company authorized to do business in the State of Oregon, which policy shall provide for a commercially reasonable limit but in any event not less than an aggregate amount of Two Million Dollars (\$2,000,000.00) and an occurrence limit of not less than One Million Dollars (\$1,000,000.00), and which shall name the owner of the other Lot as an additional insured and shall provide the owner of the other Lot with a certificate evidencing such insurance upon request. The owner of each Lot shall indemnify and hold harmless the owner of the other Lot against any and all liabilities, damages, reasonable expenses, causes of action, suits, claims or judgments (including, without limitation, reasonable attorneys' fees and court costs) resulting from personal injury, death or property damage which are caused the negligence or willful misconduct of such indemnifying party, its agents, employees, contractors and invitees.

11. Notices. Any notice provided or permitted to be given under this Declaration must be in writing and may be served (i) by depositing the same in the United States mail postage prepaid, registered or certified with return receipt requested, (ii) by depositing the same with a reputable overnight nationwide delivery service, postage prepaid, or (iii) by delivering the same in person to such party. Notice given in accordance with (i) above shall be effective three (3) business days after being mailed. Notice given in accordance with (ii) above shall be effective one (1) business day after being mailed. Notice given in accordance with (iii) above shall be effective upon receipt. The notice address for the owner of each Lot shall be the address to which tax bills for such Lot are to be sent.

12. No Liens. In no event shall the owner of a Lot allow the imposition of any mechanics or materialmen's lien on the other Lot hereunder arising from any such work performed, or caused to be performed, by such owner.

13. Estoppel Certificate. The owner of a Lot may from time to time, deliver written notice to the owner of the other Lot requesting such party to certify in writing (a) that to the knowledge of the certifying party, the requesting party is not in default in the performance of its obligations under this Declaration, or, if in default, the nature and amount of any and all defaults as described in such certification, and (b) to such other reasonable matters as the requesting party may request. Each party receiving such request shall execute and return such certificate within ten (10) days following the receipt thereof.

14. Temporary Closure. Nothing contained herein shall be construed to grant any rights to the public. The owner of Lot 1 and the owner of Lot 2 shall have the right to temporarily close or restrict access to its property to the extent reasonably necessary to prevent the general public from acquiring any rights therein. In addition, the owner of Lot 1 and the owner of Lot 2 may temporarily close or restrict access to portions of its property to the extent necessary to perform maintenance, repairs or replacements that are its obligation under this Declaration.

15. Paragraph Headings. The paragraph headings used herein are for reference and convenience only and shall not enter into the interpretations hereof. Wherever the singular is used herein, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa as the context shall require.

16. Partial Invalidity. If any item, covenant or condition of this Declaration or the application thereof to any person or circumstance shall be invalid or unenforceable, the remainder of this Declaration or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant and condition shall be valid and enforceable to the fullest extent permitted by law.

17. Governing Law. It is the intention of the parties hereto that all questions with respect to the construction of this Declaration and the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State of Oregon.

18. Attorneys' Fees. In the event a lawsuit or other similar legal proceeding is brought to enforce or construe any of the terms of this Declaration, the prevailing party in such lawsuit or legal proceeding shall be entitled to recover its reasonable attorneys' fees, litigation expenses and court costs from the non-prevailing party.

19. No Waiver. No waiver of any provision of this Declaration shall be deemed to have been made unless expressed in writing and signed by the party charged with making such waiver. No delay or omission in the exercise of any right or remedy accruing upon a breach of this Declaration shall impair such right or remedy or be construed as a waiver of such breach, and the waiver of any breach shall not be deemed a waiver of any other breach of the same or any other provision of this Declaration.


20. Exhibits. All exhibits referenced herein are attached to this Declaration and incorporated herein by reference.

21. Covenants Running With the Land. Each and every agreement, covenant, promise, undertaking, condition easement and right (herein collectively referred to as "Obligations") made, granted or assumed, as the case may be, by any party, is made for the benefit of all parties and provisions of this Declaration shall be covenants running with the land pursuant to applicable law. Any owner of a Lot shall automatically be deemed by acceptance of the title of such Lot or any part thereof to have assumed all Obligations of this Declaration relating hereto and to have agreed with the then Declarant.

IN WITNESS WHEREOF, Declarant executes this Declaration as of the day and year first written above.

**DECLARANT:**

CH TOWN & COUNTRY, LLC

By:   
Name: Graham Chernoff  
Title: Manager

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

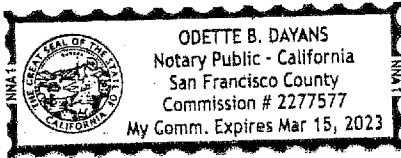
State of California )


County of San Francisco )

On April 7, 2022 before me, a Notary Public personally appeared Graham Chernoff, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Place Notary Seal Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



Witness my hand and official seal?  
  
Signature  
Signature of Notary Public



**EXHIBIT A**  
**THE TOWN & COUNTRY PROPERTY**

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

**PARCEL 1**

A PORTION OF THE NE1/4 SE1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN ON THE SOUTH RIGHT OF WAY LINE OF SOUTH SIXTH STREET AS PRESENTLY LOCATED AND CONSTRUCTED, WHICH BEARS SOUTH 0° 22' 15" EAST A DISTANCE OF 48.5 FEET FROM THE NORTHWEST CORNER OF SAID NE1/4 SE1/4; THENCE EASTERLY, ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 142.5 FEET TO A POINT; THENCE SOUTH AT RIGHT ANGLES TO SAID RIGHT OF WAY LINE A DISTANCE OF 460.0 FEET TO A POINT; THENCE WEST, PARALLEL TO SAID RIGHT OF WAY LINE A DISTANCE OF 142.5 FEET, MORE OR LESS, TO THE WEST LINE OF SAID NE1/4 SE1/4; THENCE NORTH ALONG SAID WEST LINE A DISTANCE OF 460.0 FEET TO THE POINT OF BEGINNING.

**PARCEL 2:**

A TRACT OF LAND SITUATED IN THE NE1/4 SE1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON PIN WHICH BEARS SOUTH 89° 52' WEST A DISTANCE OF 745.73 FEET AND SOUTH 0° 20' 55" EAST A DISTANCE OF 220.16 FEET FROM THE BRASS CAP MONUMENT MARKING THE EAST QUARTER CORNER OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, SAID BEGINNING POINT ALSO BEING ON THE SOUTH LINE OF TRACT DESCRIBED AS PARCEL #1 IN DEED FROM KLAMATH COUNTY SCHOOL DISTRICT TO KLAMATH COUNTY, RECORDED IN VOLUME 295 AT PAGE 135, DEED RECORDS OF KLAMATH COUNTY, OREGON; THENCE CONTINUING FROM SAID BEGINNING POINT SOUTH 0° 20' 55" EAST ALONG A LINE PARALLEL TO AND 4.0 FEET DISTANT EASTERLY, WHEN MEASURED AT RIGHT ANGLES TO, FROM THE EXISTING EASTERLY WALL OF THE PAYLESS DRUG STORE BUILDING AS THE SAME IS PRESENTLY LOCATED AND CONSTRUCTED, A DISTANCE OF 402.04 FEET TO A 1/2 INCH IRON PIPE; THENCE SOUTH 53° 42' 15" WEST A DISTANCE OF 304.44 FEET, MORE OR LESS, TO A 1/2 INCH IRON PIPE ON THE NORTHEASTERLY BOUNDARY OF THE O. C. & E. RAILROAD RIGHT OF WAY AS THE SAME IS PRESENTLY LOCATED AND CONSTRUCTED, AND FROM WHICH POINT THE AFORESAID MONUMENT MARKING THE EAST QUARTER CORNER OF SAID SECTION 3 BEARS NORTH 50° 50' 20" EAST A DISTANCE OF 1273.34 FEET; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY BOUNDARY OF THE O. C. & E. RAILROAD RIGHT OF WAY A DISTANCE OF 299.5 FEET, MORE OR LESS, TO THE WEST LINE OF SAID NE1/4 SE1/4; THENCE NORTH ALONG SAID WEST LINE A DISTANCE OF 186.5 FEET, MORE OR LESS, TO A POINT ON SAID WEST LINE WHICH BEARS SOUTH 0° 22' 15" EAST A DISTANCE OF 460.0 FEET FROM THE SOUTHERLY BOUNDARY LINE OF THE RELOCATED RIGHT OF WAY OF THE KLAMATH FALLS LAKEVIEW HIGHWAY; THENCE EASTERLY, PARALLEL WITH SAID HIGHWAY RIGHT OF WAY LINE A DISTANCE OF 142.5 FEET TO A POINT; THENCE NORTH, PARALLEL WITH THE WEST LINE OF SAID NE1/4 SE1/4, A DISTANCE OF 460.0 FEET, MORE OR LESS, TO THE SOUTHERLY BOUNDARY OF SAID RELOCATED HIGHWAY RIGHT OF WAY; THENCE EASTERLY ALONG SAID RELOCATED RIGHT OF WAY LINE A DISTANCE OF 387.7 FEET, MORE OR LESS, TO A POINT WHICH BEARS NORTH 0° 20' 55" WEST FROM THE POINT OF BEGINNING; THENCE SOUTH 0° 20' 55" EAST A DISTANCE OF 174.66 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING FROM THE ABOVE DESCRIBED PARCELS THOSE PORTIONS CONVEYED TO STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION BY DEED RECORDED MAY 21, 2013 IN INSTRUMENT NO. 2013-005684 DESCRIBED AS FOLLOWS:

PARCEL 1: A PARCEL OF LAND LYING IN THE NE1/4SE1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON; SAID PARCEL BEING A PORTION OF THAT PROPERTY DESCRIBED IN THAT BARGAIN AND SALE DEED TO TOWN & COUNTRY CENTER L.L.C., RECORDED MARCH 14, 2002 IN BOOK M02, PAGE 15183, KLAMATH COUNTY RECORD OF DEEDS; SAID PARCEL BEING THAT PORTION OF SAID PROPERTY LYING BETWEEN LINES AT RIGHT ANGLES TO THE CENTER LINE OF THE RELOCATED KLAMATH FALLS – LAKEVIEW HIGHWAY AT ENGINEER'S STATIONS 62+22.00 AND 62+89.00 AND INCLUDED IN A STRIP OF LAND 41.00 FEET IN WIDTH, LYING ON THE SOUTHERLY SIDE OF SAID CENTER LINE WHICH CENTER LINE IS DESCRIBED AS FOLLOWS:

BEGINNING AT ENGINEER'S CENTER LINE STATION 24+00.00, SAID STATION BEING 1,973.05 FEET WEST AND 1,304.43 NORTH OF THE CENTER QUARTER CORNER OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN; THENCE SOUTH 55°50'25" EAST 1,765.50 FEET, THENCE ON A SPIRAL CURVE LEFT (THE LONG CHORD OF WHICH BEARS SOUTH 59°31'15" EAST 469.22 FEET) 470.00 FEET; THENCE ON A 1,219.06 FOOT RADIUS CURVE LEFT (THE LONG CHORD OF WHICH BEARS SOUTH 72°54'28" EAST 255.81 FEET) 256.28 FEET; THENCE ON A SPIRAL CURVE LEFT (THE LONG CHORD OF WHICH BEARS SOUTH 86°17'41" EAST 469.22 FEET) 470.00 FEET TO ENGINEER'S CENTER LINE STATION 53+61.77 BACK EQUALS 53+70.60 AHEAD, THENCE SOUTH 89°58'31" EAST 2,150.39 FEET TO ENGINEER'S STATION 75+20.99 BACK EQUALS 75+21.60 AHEAD, ON SAID CENTER LINE.

BEARINGS ARE BASED ON COUNTY SURVEY NO. 7892, FILED JANUARY 2012, KLAMATH COUNTY, OREGON.

PARCEL 2: A PARCEL OF LAND LYING IN THE NE1/4SE1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, SAID PARCEL BEING A PORTION OF THAT PROPERTY DESCRIBED IN THAT BARGAIN AND SALE DEED TO TOWN & COUNTRY CENTER L.L.C. RECORDED MARCH 14, 2002 IN BOOK M02, PAGE 15183, KLAMATH COUNTY RECORDS OF DEEDS, SAID PARCEL BEING THAT PORTION OF SAID PROPERTY LYING EASTERLY OF A LINE AT RIGHT ANGLES TO THE CENTER LINE OF THE RELOCATED KLAMATH FALLS – LAKEVIEW HIGHWAY AT ENGINEER'S STATION 66+21.00 AND INCLUDED IN A STRIP OF LAND 50.00 FEET IN WIDTH, LYING ON THE SOUTHERLY SIDE OF SAID CENTER LINE, WHICH CENTER LINE IS DESCRIBED IN PARCEL 1.

PARCEL 4:

A TRACT OF LAND SITUATED IN THE SE1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST ONE-FOURTH CORNER OF SAID SECTION 3, THENCE SOUTH 89° 52' WEST 1,275.74 FEET; THENCE SOUTH 00° 21' 47" EAST 54.10 FEET TO A ONE-HALF INCH PIPE ON THE SOUTHERLY RIGHT OF WAY LINE OF THE DALLES-CALIFORNIA HIGHWAY MARKING THE NORTHEAST CORNER OF THAT PARCEL OF LAND DESCRIBED IN DEED VOLUME 251 AT PAGE 162, DEED RECORDS OF KLAMATH COUNTY, OREGON; THENCE CONTINUING SOUTH 00° 21' 47" EAST ALONG THE EAST LINE OF SAID PARCEL DESCRIBED IN SAID DEED VOLUME 251 AT PAGE 162, 233.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 00° 21' 47" EAST ALONG SAID LINE 395.64 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF THE OREGON-CALIFORNIA AND EASTERN RAILWAY COMPANY; THENCE NORTH 67° 41' WEST ALONG SAID RIGHT OF WAY LINE 156.57 FEET (162 FEET BY RECORD); THENCE NORTH 00° 55' 30" WEST ALONG THE WEST LINE OF SAID PARCEL DESCRIBED IN SAID DEED VOLUME 251 AT PAGE 162, 334.24 FEET; THENCE NORTH 89° 14' EAST 147.71 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION WITH BEARINGS BASED ON THE EAST LINE OF THE SE1/4 OF SAID SECTION 3 AS BEING SOUTH 01° 14' EAST.

PARCEL 5:

A PORTION OF THE NW1/4 SE1/4 OF SECTION 3, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

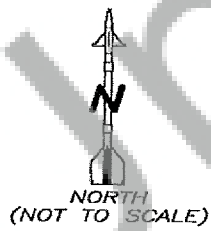
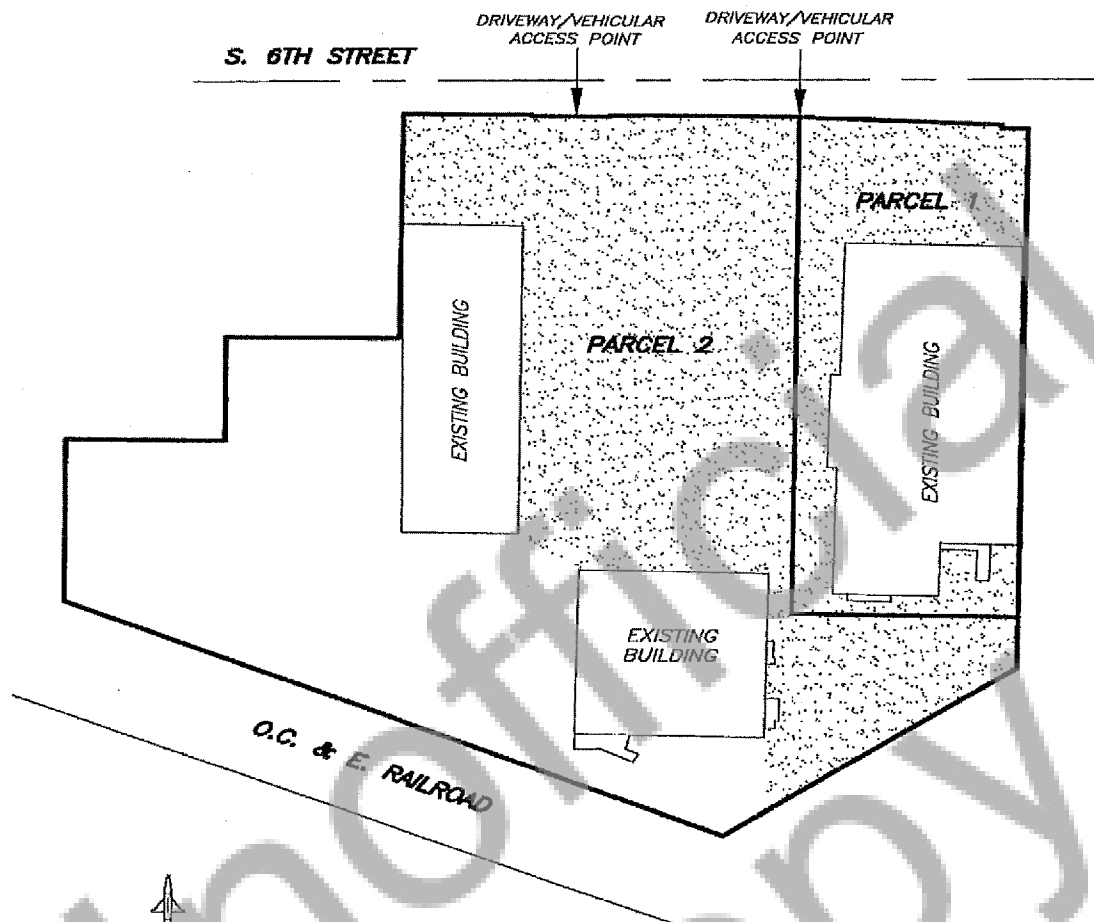
BEGINNING AT A ONE-HALF INCH IRON PIN ON THE SOUTH RIGHT OF WAY LINE OF SOUTH SIXTH STREET AS THE SAME IS PRESENTLY LOCATED AND CONSTRUCTED, SAID POINT BEING ON THE WEST LINE OF TRACT OF LAND DEEDED TO MILLER BY DEED VOLUME 251 AT PAGE 162, DEED RECORDS OF KLAMATH COUNTY, OREGON, AND THE EAST LINE OF A TRACT OF LAND DEEDED TO WHEELER BY DEED VOLUME 142 AT PAGE 349, DEED RECORDS OF KLAMATH COUNTY, OREGON; THENCE SOUTH 0° 55' 30" EAST ALONG THE LINE BETWEEN THE TWO ABOVE DESCRIBED TRACTS A DISTANCE OF 341.6 FEET TO A 5/8 INCH IRON PIN MARKING THE SOUTHEAST CORNER OF A TRACT OF LAND DEEDED TO UNITED STATES NATIONAL BANK OF OREGON BY DEED RECORDED IN VOLUME M72 AT PAGE 13690, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON, AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING SOUTH 0° 55' 30" EAST A DISTANCE OF 225.64 FEET, MORE OR LESS, TO THE NORTHEASTERLY RIGHT OF WAY LINE OF THE O.C. & EAST RAILROAD; THENCE NORTH 67° 41' WEST ALONG SAID RIGHT OF WAY LINE A DISTANCE OF 148.11 FEET TO THE SOUTHWEST CORNER OF SAID WHEELER TRACT; THENCE NORTH 0° 55' 30" WEST ALONG THE WEST LINE OF SAID WHEELER TRACT, A DISTANCE OF 167.58 FEET TO THE SOUTHWEST CORNER OF SAID UNITED STATES NATIONAL BANK TRACT; THENCE NORTH 89° 14' EAST ALONG THE SOUTH LINE OF SAID TRACT A DISTANCE OF 136.09 FEET TO THE POINT OF BEGINNING.

**EXHIBIT B**  
**SITE PLAN**

LEGEND

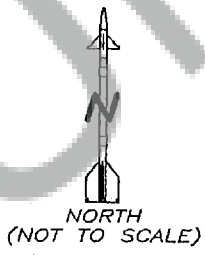
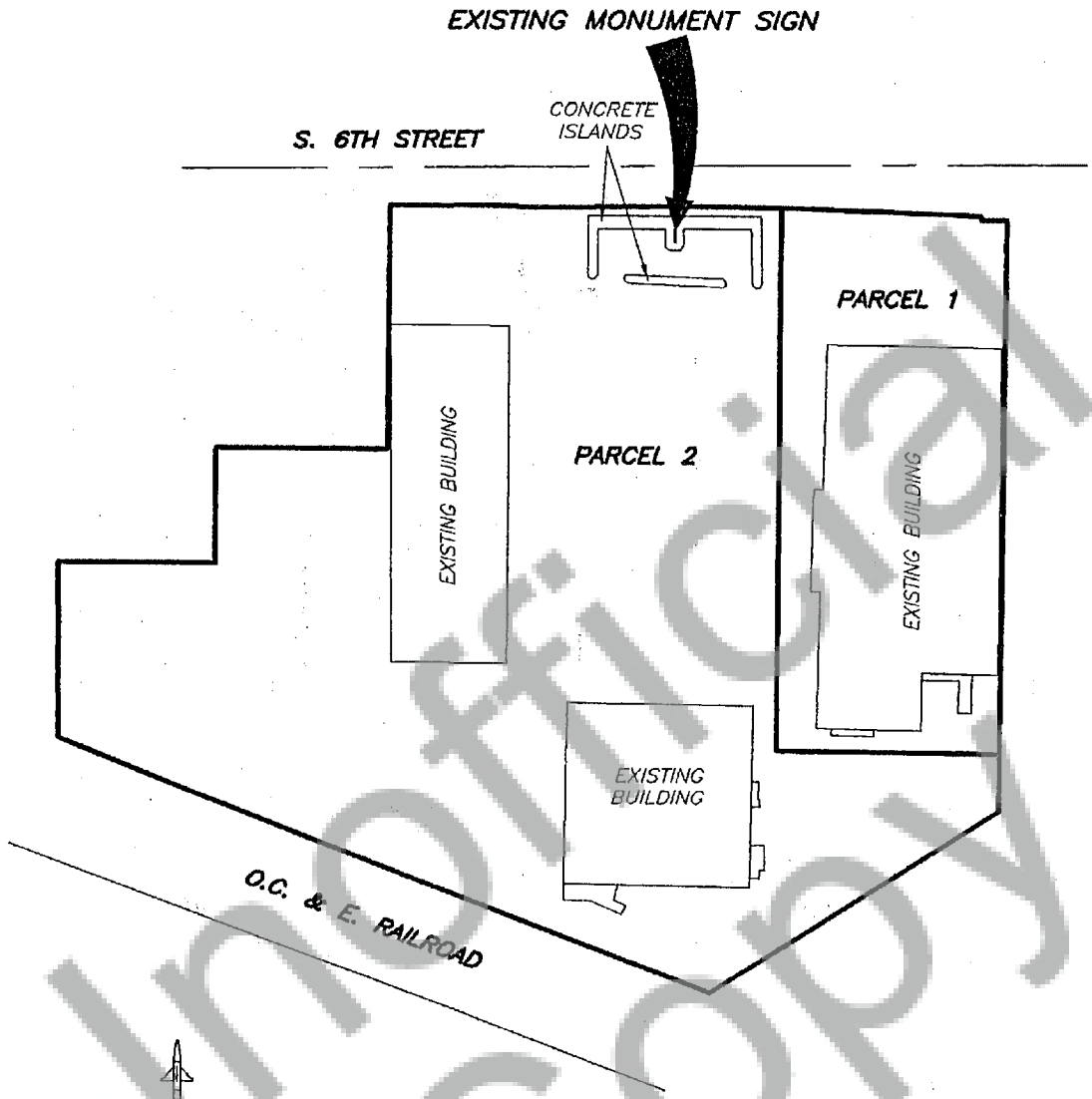


DRIVEWAY AND PARKING EASEMENT AREA



**TRU SURVEYING LINE**  
2333 SUMMERS LANE  
KLAMATH FALLS, OREGON 97603

**EXHIBIT C**  
**MONUMENT SIGNAGE**



**TRU SURVEYING LINE**  
2333 SUMMERS LANE  
KLAMATH FALLS, OREGON 97603