

April 12, 2018

31574.0100

VIA FEDERAL EXPRESS, EMAIL PStewart@skylakes.org
AND FACSIMILE 541-274-6725

Mr. Paul R. Stewart
President
Sky Lakes Medical Center, Inc.
2865 Daggett Street
Klamath, Falls OR 97601

Re: CEASE AND DESIST

Dear Mr. Stewart:

This office represents Rubicon Investments Limited Partnership and its subsidiary Klamath Falls Holdings, LLC.

You are aware that Klamath Falls Holdings, LLC recently completed a long-term lease transaction with the Department of Administrative Services. The lease is for a facility to be constructed by Klamath Falls Holdings and occupied by the Department of Human Services.

We are aware that you have been making false announcements to various parties (including state and local government officials) concerning that facility. We have been informed that you have represented that you are engaged in discussions with Rubicon with the goal of terminating the existing lease and transferring the project to the Klamath Works campus. We are also aware that you have insinuated that Rubicon benefitted from an improper relationship with DHS and their agent, Cushman Wakefield, which led to DHS' decision to enter into the lease with Klamath Falls Holdings.

You are hereby advised that your remarks are false in all regards, are not protected speech, and constitute libel and slander. None of the personnel at Rubicon have spoken to you about this project since the lease was signed (other than to reject your e-mailed offer). You are fully aware that your statements are baseless, false and without justification.

You are also advised that neither Rubicon nor Klamath Falls Holdings will have any part in subverting or corrupting any of the state processes used to evaluate projects and decide on facilities for the State. Rubicon categorically rejects your proposed "land swap" as an unethical attempt to reverse a lawful procurement process. All transactions must be above board and in

Mr. Paul R. Stewart

April 12, 2018

Page 2

full compliance with all state rules, regulations and laws. At all times Rubicon and Klamath Falls Holdings have complied with those standards.

We strongly urge you to immediately CEASE AND DESIST from making any false representations concerning Rubicon, Klamath Falls Holdings or the project. Any further false statements will subject you and Sky Lakes Medical Center to an immediate lawsuit for damages, including punitive damages. If you have any questions you should consult competent legal counsel.

Very truly yours,



Charles R. Markley

(503) 228-7967

cmarkley@williamskastner.com

CRM:nlc

cc: John Bell, Chairman Sky Lakes Board of Directors (jbell@belllawoffices.com;
jbell@skylakes.org)
Grant Kennon, Sky Lakes legal counsel (gkennon@skylakes.org)
Kate Coba, Director Department of Administrative Services (Katy.COBA@oregon.gov)
Fairborz Pakseresht, Director, Oregon Department of Human Services
(fariborz.pakseresht@state.or.us)