

MTK-20578K

MAINTENANCE AGREEMENT

DATED:

5 December, 1988

BETWEEN:

FARM CREDIT BANK OF SPOKANE,
successor by merger to
FEDERAL LAND BANK OF SPOKANE

FCB

AND:

INTERSTATE PRODUCTION CREDIT ASSOCIATION

IPCA

AND:

5 H RANCH, INC.

5-H

FCB, IPCA and 5-H all own parcels of property in Klamath County, Oregon which obtain access to the public highway over a common roadway (the "Road") located on the following described property:

Beginning at a point on the West line of Section 32, Township 38 South, Range 11-1/2 East of the Willamette Meridian from which point the Southwest corner of said Section 32 bears South 0°30'08" West 173.01 feet distant; thence East 30 feet, thence North along a line parallel to West line of Section 32 to the Southerly right of way line of Highway 140, thence westerly along such right of way line to a point 30 feet West of the West line of Section 32, then Southerly along a line parallel to the West line of Section 32 to a point 30 feet West of the point of beginning, thence West to the point of beginning.

The property owned by FCB is described on attached Exhibit A, the property owned by IPCA is described on attached Exhibit B, and the property owned by 5-H is described on attached Exhibit C.

The parties wish to provide for the common maintenance of the Road over the above described property.

NOW, THEREFORE, the parties agree as follows:

1. The Road shall be maintained as a farm access road in substantially its present condition.

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2. The parties shall each bear one-third the cost of normal maintenance and repair of the Road, up to a maximum of \$250 per party per year (subject to possible additional contributions as provided below upon consent of at least two of the parties). Any of the parties may undertake repairs or maintenance of the Road which will result in total annual costs up to \$250 per party. No party shall be required to pay for repairs or maintenance totaling in excess of \$250 per party per year (other than repairs required of a party under paragraph 3 below) unless the expenditure has first been approved by at least two of the three parties. Costs to be reimbursed to the party performing maintenance and repair shall include the actual out-of-pocket costs of the party for materials and labor, but shall not include any charge for the time or labor of the party performing or supervising the work or for use of equipment owned by the parties.
3. If the Road is damaged due to the actions of a party, its employees, agents or contractors, such party shall be solely responsible for repairs necessary to correct such damage.
4. If any party places a gate or lock on the Road, the other parties shall be provided keys to the lock.
5. This Agreement shall run with and bind the properties of the parties described on attached Exhibits A, B and C. A party which sells or conveys its property described on attached Exhibit A, B or C shall automatically be relieved of all obligations under this Agreement accruing after the date of such sale or conveyance, and the obligations of this Agreement shall bind the purchaser. In the event a party subdivides or sells only a portion of its lands described on Exhibits A, B or C, the maintenance obligations under this Agreement shall bind the owner of the largest remaining parcel and, absent an agreement between the party so selling and its purchaser, the owner of the largest

remaining parcel, as between the party and its purchaser, shall be deemed to be a party to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in triplicate as of the date and year first written above.

FCB:

FARM CREDIT BANK OF SPOKANE,
successor by merger to
FEDERAL LAND BANK OF SPOKANE

By: [Signature]

IPCA:

INTERSTATE PRODUCTION CREDIT
ASSOCIATION

By: [Signature]
SR CREDIT OFFICER

5-H:

5 H RANCH, INC.

By: 5 H Ranch Inc.
Ray W. Daniel (Pres.)

STATE OF Oregon)
County of Klamath) ss.

5th The foregoing instrument was acknowledged before me this
day of July 1988 by Tom Schultheis
Senior Credit Officer of FARM CREDIT BANK OF SPOKANE, suc-
cessor by merger to FEDERAL LAND BANK OF SPOKANE, a federally
chartered corporation, on behalf of the corporation.

[Signature]
Notary Public for Oregon
My Commission Expires: 10 Aug 18 1989

STATE OF Oregon)
County of Klamath) ss.

5th The foregoing instrument was acknowledged before me this
day of July, 1988 by ANN L. Hilton
Secretary

Senior Credit Officer of INTERSTATE PRODUCTION CREDIT ASSOCIATION, a federally chartered corporation, on behalf of the corporation.

[Signature]
Notary Public for Oregon
My Commission Expires: Aug 18 1989

STATE OF Oregon)
County of Klamath) ss.

The foregoing instrument was acknowledged before me this 5th day of July, 1988 by Ray W. Hamel, President of 5 H RANCH, INC., an Oregon corporation, on behalf of the corporation.

[Signature]
Notary Public for Oregon
My Commission Expires: 8-18-89

EXHIBIT A

Lot 4, E1/2 SW1/4, S1/2 SE1/4 and NW1/4 SE1/4 of Section 31,
Township 38 South, Range 11 1/2 East of the Willamette Meridian.

Lots 1, 2 and 3 of Section 6, Township 39 South, Range 11 1/2
East of the Willamette Meridian.

A piece or parcel of land situate in the S1/2 NE1/4 of Section
6, Township 39 South, Range 11 1/2 East of the Willamette Meri-
dian, and more particularly described as follows: Beginning at
a point North 89°50 1/2' West 613.6 feet from the Northeast
corner of the SE1/4 NE1/4 of said Section 6; thence South 29°10'
West 269.4 feet; thence South 85°39 1/2' West 606.2 feet; thence
North 86°05' West 569.7 feet; thence North 29°38' West 278.9
feet; thence North 60°10' West 8.4 feet to a point on the
Northerly boundary of the S1/2 NE1/4 of said Section 6; thence
South 89°50 1/2' East 1449.4 feet, more or less, to the point of
beginning.

A piece or parcel of land situate in Lot 4, Section 6, Township
39 South, Range 11 1/2 East of the Willamette Meridian, and more
particularly described as follows: Beginning at the
Northwesterly corner of said Lot 4; thence along the Northerly
boundary of said Lot 4, South 89°50 1/2' East 549.4 feet to the
Northeasterly corner of said Lot 4; thence South 0°08' West 511
feet; thence North 57°25' West 651 feet to the Westerly boundary
of said Lot 4; thence North 0°07' East 161.9 feet, more or less,
to the point of beginning.

EXCEPTING, however, the following described real property: A
piece or parcel of land situate in Lots 2 and 3, Section 6,
Township 39 South, Range 11 1/2 East of the Willamette Meridian,
and more particularly described as follows: Beginning at the
Southwest corner of said Lot 3; thence South 89°50 1/2' East
1831.5 feet along the Southerly boundaries of said Lots 2 and 3
to a point in the Southerly boundary of said Lot 2; thence North
60°10' West 959.2 feet; thence North 75°31' West 1031.2 feet to
a point in the Westerly boundary of said Lot 3; thence along the
Westerly boundary of said Lot 3, South 0°08' West 730 feet, more
or less, to the point of beginning.

ALSO EXCEPTING A piece or parcel of land situate in Lot 1, Section 6, Township 39 South, Range 11 1/2 East of the Willamette Meridian, and more particularly described as follows: Beginning at a point 30.3 feet West of the Southeast corner of said Lot 1, in the Westerly road right of way fence of the County road running Northerly along the Easterly boundary of said Lot 1; thence North 0°09 1/2' East along said County Road right of way 866.9 feet; thence South 46°44 1/2' West 295.3 feet; thence South 29°10' West 759.6 feet to the South boundary of said Lot 1; thence Easterly along said Southerly boundary of Lot 1, South 89°50 1/2' East 583.3 feet, more or less, to the point of beginning.

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EXHIBIT A

PARCEL 1

A parcel of land located in portions of Sections 31 and 32, Township 38 South, Range 11½ East of the Willamette Meridian, and Section 5, Township 39 South, Range 11½ East of the Willamette Meridian, being more particularly described as follows:

Beginning at a point on the West line of Section 32, Township 38 South, Range 11½ East of the Willamette Meridian from which point the Southwest corner of said Section 32 bears South 0°39'08" West 173.01 feet distant; thence North 0°30'08" East 1130.97 feet to the South 1/16 corner common to Sections 31 and 32; thence North 89°23'45" West 1324.66 feet to the SE 1/16 corner of Section 31; thence along the 1/16 Section line North 0°31'29" East 1821.16 feet to the Southerly right of way line of the O.C.&E. Railroad; thence along said right of way line South 89°51'30" East 1323.97 feet to its intersection with the West line of Section 32; thence North 0°30'08" East 100.00 feet to the Northerly right of way line of the O.C.&E. Railroad; thence along said right of way line South 89°51'30" East 238.48 feet; thence, leaving said right of way line, North 0°58'27" West 663.55 feet to a point on the Southerly right of way line of State Highway 140; thence along said right of way line North 87°48'03" East 74.28 feet; thence 233.07 feet along the arc of a 5699.58 foot radius curve to the right, the long chord of which bears North 88°58'20" East 233.04 feet; thence South 89°51'22" East 793.02 feet; thence North 89°57'40" East 3972.46 feet to a point on the East line of Section 32; thence, leaving said highway right of way line, South 0°38'57" West along the East line of Section 32 3388.87 feet to a point; thence, along an existing fence line, South 79°47'33" West 451.44 feet; thence South 69°53'43" West 797.73 feet; thence South 40°15'25" West 236.92 feet; thence South 5°08'47" West 253.49 feet to a point in an existing fence line; thence, along said fence line, South 22°34'24" West 384.64 feet; thence South 51°14'35" West 528.50 feet; thence South 74°03'10" West 284.95 feet; thence North 76°10'34" West 256.59 feet; thence North 52°15'26" West 201.63 feet; thence North 84°32'50" West 574.37 feet; thence, leaving said fence line, North 50°17'38" West 319.51 feet; thence North 77°13'10" West 222.13 feet; thence South 87°22'56" West 173.85 feet to a point in a North-South fence line; thence along said North-South fence line, North 0°16'05" East 711.54 feet to the center of an East-West ditch; thence along the centerline of said ditch and the Westerly extension thereof, North 89°34'20" West 1472.26 feet to the point of beginning.

EXCEPTING THEREFROM that portion lying within the right of way of the O.C.&E. Railroad.

PARCEL 2

A portion of Section 32, Township 38 South, Range 11½ East of the Willamette Meridian, more particularly described as follows:

Beginning at a point on the West line of Section 32 at its intersection with the Northerly right of way line of the O.C.&E. Railroad, from which point the ¼ corner common to Sections 31 and 32 bears S. 0°30'08" W., 627.87 feet distant; thence along the section line N. 0°30'08" E. 654.38 feet to a point on the Southerly right of way line of Highway 140; thence along said right of way line N. 87°48'03" E. 221.63 feet; thence leaving said right of way line S. 0°30'27" E. 663.55 feet to a point on the Northerly right of way line of the O.C.&E. Railroad; thence along said right of way line N. 89°51'30" W. 238.48 feet to the point of beginning.

A parcel of land located in portions of Sections 32 and 33, Township 38 South, Range 11½ East of the Willamette Meridian and in Sections 5, 6, and 8, Township 39 South, Range 11½ East of the Willamette Meridian, being more particularly described as follows:

Those portions of Section 32, Township 38 South, Range 11½ East, and Section 5, Township 39 South, Range 11½ East of the Willamette Meridian lying South of the following described line: Beginning at a point on the East line of said Section 32 from which point the Southeast corner of said Section 32 bears South 0° 38' 57" West 551.64 feet distant; thence along an existing fence line, South 79° 47' 33" West 451.44 feet; thence South 69° 53' 43" West 797.73 feet; thence South 40° 15' 25" West 236.92 feet; thence South 5° 08' 47" West 253.49 feet to a point in an existing fence line; thence along said fence line, South 22° 34' 24" West 384.64 feet; thence South 51° 14' 35" West 528.50 feet; thence South 74° 03' 10" West 284.95 feet; thence North 76° 10' 34" West 256.59 feet; thence North 52° 15' 26" West 201.63 feet; thence North 84° 32' 50" West 574.37 feet; thence leaving said fence line, North 50° 17' 38" West 319.51 feet; thence North 77° 13' 10" West 222.13 feet; thence South 87° 22' 56" West 173.85 feet to a point in a North-South fence line; thence along said North-South fence line, North 0° 16' 05" East 711.54 feet to the center of an East-West ditch; thence along the centerline of said ditch and the Westerly extension thereof, North 89° 34' 20" West 1472.26 feet to a point on the West line of Section 32; from which point the Southwest corner of Section 32 bears South 0° 30' 08" West 173.01 feet distant; excepting therefrom Government Lot 1 in Section 5.

In Section 33, Township 38 South, Range 11½ East of the Willamette Meridian, all of those portions; of the SW¼NE¼, S¼NW¼, SW¼ and W¼ of SE¼; lying south of State Highway 140; excepting therefrom that portion lying within the right of way of the O.C. & E. Railroad.

In Section 6, Township 39 South, Range 11½ East of the Willamette Meridian, all of Section 6 lying South of the following described line: Beginning at a point on the West line of Section 6 from which point the Northwest corner of Section 6 bears Northerly 161.9 feet; thence South 57° 25' East 651.0 feet; thence South 75° 31' East 1031.2 feet; thence South 60° 10' East 967.6 feet; thence South 29° 38' East 278.9 feet; thence South 86° 05' East 569.7 feet; thence North 85° 39' East 606.2 feet; thence North 29° 10' East 1029.0 feet; thence North 46° 44' East 295.3 feet; thence East 30.3 feet to the East line of Section 6, from which point the Southeast corner of Government Lot 1, Section 6 bears South 0° 09' West 866.9 feet; excepting therefrom Government Lots 6 and 7 of said Section 6, the bearings and distances of the above described line being based on descriptions contained in Deed Volume M80, pages 15699 and 15700.

In Section 8, Township 39 South, Range 11½ East of the Willamette Meridian, all of the N¼NE¼ and the NE¼NW¼.

RETURN: MT
EXHIBIT C

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 19th day of Jan. A.D., 19 89 at 9:15 o'clock A M., and duly recorded in Vol. M89, of Deeds on Page 1102.

FEE \$43.00

Evelyn Biehn County Clerk

By Pauline M. Millonore