

MTC-20518K-ACC.

EASEMENT

FARM CREDIT BANK OF SPOKANE, successor by merger to FEDERAL LAND BANK OF SPOKANE, ("Grantor") hereby grants to 5-H RANCH, INC., its successors and assigns ("Grantee"), a perpetual nonexclusive easement to use the following strip of land located in Klamath County, Oregon, across the property of the Grantor (the "Easement Strip"):

Beginning at the Southeast corner of Lot 1 of Section 6, Township 39 South, Range 11 1/2 East, Willamette Meridian (the "Point of Beginning"); thence North along the line between Sections 5 and 6, Township 39 South, Range 11 1/2 East and between Sections 31 and 32, Township 38 South, Range 11 1/2 East of the Willamette Meridian, to 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°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 to a point 30 feet West of the line between Sections 31 and 32; thence Southerly along a line parallel to the line between Sections 31 and 32 and continuing Southerly along a line parallel to the line between Sections 5 and 6 to a point 30 feet West of the Point of Beginning; thence East 30 feet to the Point of Beginning.

The terms of this easement are as follows:

1. Grantee, its agents, independent contractors and invitees may use the Easement Strip as a road for ingress and egress purposes only for access to the property described in Exhibit A, which is attached hereto and by this reference made a part hereof, and in conjunction with such use may construct, reconstruct, maintain and repair a road thereon. Grantee is further granted the right to use the Easement Strip for the installation and maintenance of such public utilities as may be needed to serve the property described in Exhibit A.

2. Grantee shall at all times hereafter maintain the Easement Strip and roadway in a condition as good as its present condition. The costs of such maintenance shall be shared by Grantor and Grantee proportionate to their use.

3. Grantee agrees to indemnify and defend Grantor from any loss, claim or liability to Grantor arising in any manner

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out of Grantee's use of the Easement Strip. Grantee shall pay Grantor for any property of Grantor's damaged by Grantee's use of this easement. Grantee assumes all risk arising out of its use of the Easement Strip and Grantor shall have no liability to Grantee or others for any condition existing thereon.

4. This easement is not personal or in gross but is to be appurtenant to the real property owned by Grantor and described in Exhibit A; however, in the event of any subdivision or sale of any portion of such property this easement shall remain appurtenant only to the largest remaining parcel, and owners of the other parcels into which the property described below may be divided shall have no right to use of the Easement Strip.

5. This easement shall be perpetual; however, in the event that it is not used by Grantee for a period of three years, or if otherwise abandoned by Grantee, the easement shall automatically expire and Grantee shall upon request execute a recordable document evidencing such expiration.

6. This easement is granted subject to all prior easements or encumbrances of record.

Dated this 5th day of December, 1988.

FARM CREDIT BANK OF SPOKANE, suc-
cessor by merger to FEDERAL LAND
BANK OF SPOKANE

By Tom Schultheis
Its FARM CREDIT OFFICER

STATE OF Oregon)
County of Klamath) ss.

The foregoing instrument was acknowledged before me this 5th day of December, 1988, by Tom Schultheis, Senior Credit Officer of Farm Credit Bank of Spokane, successor by merger to Federal Land Bank of Spokane, a federally chartered corporation, on behalf of the corporation.

Wendell L. Meek
Notary Public for Oregon
My Commission expires Aug 18, 1989

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: MTC

EXHIBIT A
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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 9:16 o'clock A.M., and duly recorded in Vol. M89, of Deeds on Page 1110.

Evelyn Blehn County Clerk

By Pauline Mullenders

FEE \$18.00