

EASEMENT

MTC-20518K- ACC

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

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°39'08" West 173.01 feet distant (the "Point of Beginning"); 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 West line of Section 32; thence Southerly along a line parallel to the West line of Section 32 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 agrees to indemnify and defend Grantor from any loss, claim or liability to Grantor arising in any manner 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.

3. 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.

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4. 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.

5. 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 Scholtheis*
Its SR. CREDIT OFFICER

INTERSTATE PRODUCTION CREDIT
ASSOCIATION

By *Ann L. Helch*
Its SR CREDIT OFFICE

STATE OF Oregon)
County of Klamath) ss.

The foregoing instrument was acknowledged before me this 5th day of December, 1988, by Tom Scholtheis 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.

Terri Juleks
Notary Public for Oregon
My Commission Expires: Aug 18, 1991

STATE OF OREGON

County of Klamath) ss.

The foregoing instrument was acknowledged before me
this 5th day of December, 1988, by ANN L. HILTON,
Senior Credit Officer of Interstate Production Credit Asso-
ciation, a federally chartered corporation, on behalf of the
corporation.

Broussard
Notary Public for Oregon

My Commission Expires: August 18 1989

MAN:836

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°58'27" 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.

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 1113.

Evelyn Biehn, County Clerk

FEE \$23.00

By Pauline Mullemaire