

MTC-20518K-ACC

EASEMENT

INTERSTATE PRODUCTION CREDIT ASSOCIATION ("Grantor") hereby grants to FARM CREDIT BANK OF SPOKANE, successor by merger to FEDERAL LAND BANK OF SPOKANE, its successors and assigns ("Grantee"), a perpetual nonexclusive easement to use the following strips of land located in Township 38 South, Range 11 1/2 East, Willamette Meridian, Klamath County, Oregon, across the property of the Grantor (the "Easement Strips"):

Strip One: 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 1/4 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. to a point 30 feet East of the section line; thence Southerly along a line parallel to the section line to its intersection with the Northerly right of way line of the O.C.&E. Railroad; thence Westerly along the Northerly right of way line of the O.C.&E. Railroad to the point of beginning.

Strip Two: 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; thence North 0°30'08" East 1130.97 feet to the South 1/16 corner common to Sections 31 and 32 (the "Point of Beginning"); thence North 89°23'45" West feet to a point 30 feet West of the West section line of Section 32 (the "Section Line"); thence Northerly along a line parallel to the Section Line to its intersection with the Southerly right of way line of the O.C.&E. Railroad; thence along said right of way line South 89°51'30" East to its intersection with the Section Line; thence Northerly along the Section Line to its intersection with the Northerly right of way line of the O.C.&E. Railroad; thence Easterly along the Northerly right of way line of the O.C.&E. Railroad to a point 30 feet East of the Section Line; thence Southerly along a line parallel to the Section Line to a point 30 feet East of the Point of Beginning; thence West 30 feet to the Point of Beginning.

91 6 11 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

Strip Three: 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"); thence North 0°30'08" East 1130.97 feet to the South 1/16 corner common to Sections 31 and 32; thence East 30 feet; thence Southerly along a line parallel to the West line of Section 32 to a point 30 feet East of the Point of Beginning; thence West 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 Strips 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 Strips 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 Strips 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 out of Grantee's use of the Easement Strips. 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 Strips 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 Strips.
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.

INTERSTATE PRODUCTION CREDIT
ASSOCIATION

By Ann L. Hiltun
Its SR CREDIT OFFICER

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

By Tom Schultheis
Its SR CREDIT OFFICER

STATE OF OREGON)
County of Klamath) ss.

The foregoing instrument was acknowledged before me this 5th day of December, 1988, by Ann L. Hiltun, Senior Credit Officer of Interstate Production Credit Association, a federally chartered corporation, on behalf of the corporation.

Terrell Weeks
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 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.

Terrell Weeks
Notary Public for Oregon
My Commission expires: Aug 18, 1989

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 Meridian, 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.

MAN. 840

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 AM. and duly recorded in Vol. M89,
 of Deeds on Page 1117
 Evelyn Biehn County Clerk
 By Louise Millendare

FEE \$28.00

EXHIBIT A

RETURN: MITZ