affecting Landowners' said property, including, without limitation by this recital, all rights of way, easements and servitudes for all irrigation and drainage facilities of the United States or K.I.D. as now constructed and located upon or affecting Landowners' said property and do agree that K.I.D. and the United States each now own, have and hold and shall continue to own, have and hold a prescriptive right, right of way, easement and servitude for all percolation, seepage, leakage, overflow, flooding or any failure or lack of drainage which now exists or which at any time heretofore has occurred or resulted from any irrigation or drainage facility now constructed or in existence on or near any part of the Landowners' said premises.

(8) Landowners do hereby absolve, waive and release both K.I.D. and the United States from any and all claims of liability for any damages or injuries to person or property which may have heretofore occurred or which may now be occurring in connection with the ownership, operation or maintenance of the Klamath Project.

(9) Landowners hereby tender to K.I.D. the sum of $ 33.00 Recording which is the full amount of all unpaid K.I.D. assessments and interest as of this date, plus the cost of recording this Application and Agreement in Klamath County Deed Records and hereby agree that an executed copy of same shall be so recorded. Landowners also agree to pay any other costs and expenses incurred in connection with this Application and Agreement.

(10) Landowners' representations, warranties, covenants, and agreements herein set forth are covenants running with Landowners' said Land and each and every part and parcel thereof in perpetuity, forever binding the same for the use and benefit of K.I.D. and the United States of America, and their respective successors, grantees, transferees and assigns.

(11) Landowners do hereby acknowledge that they have read all of the foregoing instrument and consent and agree to each of the representations, warranties, covenants, and agreements.

This Agreement shall take effect upon the approval of same by the Board of Directors of Klamath Irrigation District, and the adoption of the Resolution exempting said Land from the assessments of said District.

WITNESS their hands this 25 day of Sept, 19 86

LANDOWNERS

STATE OF OREGON)
) SS
County of Klamath)

I, Gary R Swanson and I, _____,

each being duly and severally sworn, each says for myself: I am one of the above named Landowners. I have read the foregoing Application and Agreement for Exemption from Payment of Assessments and each statement and representation made by me therein is true and correct and I hereby acknowledge the foregoing Instrument to be my voluntary act and deed.

Subscribed and sworn to before me this 25th day of Sept, 198 6.

(SEAL) Cindy E. Cherry
CINDY E. CHERRY
NOTARY PUBLIC-OREGON
My Commission Expires 4/12/91

Cindy E. Cherry
Notary Public in and for said State and County
My Commission Expires: 4/12/91

SUBORDINATION AGREEMENT

The undersigned owner or holder of a trust deed, mortgage, contract of sale or other lien upon the lands described in the foregoing Application and agreement in consideration of the exemption of said lands from future assessments of Klamath Irrigation District do hereby

subordinate such interest and liens to the terms and conditions of the Agreement and agree they shall be bound by the same.

_____

_____

_____

STATE OF OREGON)
) SS
County of Klamath)

I, _____, being duly sworn say that I have read the foregoing Subordination Agreement and the Application and Agreement for Exemption; that I have authority to sign said Subordination Agreement on behalf of all Owners and Holders of the interests and liens being subordinated and to so subordinate the same to the terms and conditions of the foregoing Application and Subordination Agreement and I hereby acknowledge that I signed the foregoing Subordination Agreement freely and voluntarily for the purpose therein stated.

_____

_____

Subscribed and sworn to before me this ____ day of _____, 198____.

(SEAL)

_____
Notary Public in and for said State and County
My Commission Expires:

I hereby recommend approval of the foregoing Application and Agreement.

_____
Manager, KLAMATH IRRIGATION DISTRICT

The foregoing Instrument having been read and considered by the Board of Directors of Klamath Irrigation District at a Meeting of said Board of Directors and said Board of Directors in consideration of all of the representations, warranties, covenants and agreements made by the Landowners therein duly moved, seconded and voted that Klamath

Irrigation District approve and agree to the same and did Order that the above described lands be exempted from the payment of the assessments of the District pursuant to Oregon Laws 1985, Chapter 581, Section 4 for assessment years commencing after the date of execution of this Agreement by Klamath Irrigation District set forth below.

Now, THEREFORE, Klamath Irrigation District does hereby duly execute this Agreement this 16th day of November, 1989.

KLAMATH IRRIGATION DISTRICT

By Martin D. Chin

Its President

By David A Salem

Its Secretary

STATE OF OREGON)
) SS
County of Klamath)

On this 16th day of November, 1989, personally appeared Martin D Chin and David A Salem, who, being duly sworn did each say that Chin/Salem is the President and Secretary of Klamath Irrigation District and that the Seal affixed to this Instrument is the Official Seal of said Klamath Irrigation District and that said Instrument was signed on behalf of Klamath Irrigation District by authority of its Board of Directors and each of them acknowledged said Instrument to be the voluntary act and deed of Klamath Irrigation District.

BEFORE ME:

(SEAL)

Cindy E Cherry
CINDY E. CHERRY
NOTARY PUBLIC-OREGON
My Commission Expires: 4/12/91

Cindy E Cherry
Notary Public for Oregon
My Commission Expires: 4/12/91

After recording return to Klamath Irrigation District, 6640 K.I.D. Lane, Klamath Falls, OR 97603

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath Irrigation Dist. the 27th day of Nov. A.D., 19 89 at 12:44 o'clock PM., and duly recorded in Vol. M89, of Deeds on Page 22892.

FEE $33.00

Evelyn Biehn County Clerk
By Pauline Mullendore