

EXHIBIT B

K-40807

EASEMENT AGREEMENT

For valuable consideration, including, but not limited to the provisions more fully set forth in that certain agreement between FREDERICK D. EHLERS, and FRANK W. OBENCHAIN and RUTH OBENCHAIN, husband and wife, dated September 5, 1986, FRANK OBENCHAIN, Jr., also known as F. W. Obenchain, and RUTH OBENCHAIN, husband and wife, hereinafter called "Obenchain", do hereby grant unto HDI Associates V, an Oregon limited partnership, its heirs, successors, and assigns, the following:

1. a non-exclusive, irrevocable and perpetual easement twenty (20) feet wide over the real property, the center line of which is more fully described in Exhibit "A", which is attached hereto and made a part hereof, for the construction, operation, and maintenance of an overhead or buried power line of a size which may reasonably be determined necessary by HDI Associates V, to transmit power from the hydro facility upon the North Fork of the Sprague River to the lines of Pacific Power, or its successors;
2. the right to use and occupy such adjoining lands as may be necessary for the construction of said line.
3. the right to construct and use any necessary roadways for the construction, operation, and maintenance of the same, upon said property; and
4. the right to use any existing roadways for egress and ingress and access to said power line for the construction thereof, and operation, repairs, maintenance and replacement thereof.

Obenchain does hereby warrant to HDI Associates V that Obenchain is the owner in fee simple of the property above described and that HDI Associates V shall have the quiet and peaceful use and enjoyment of said easement for the purposes above defined.

18553

24399

Obenchain does also hereby grant unto U. S. West Communications, Inc., a non-exclusive, irrevocable and perpetual easement over the above described real property for all purposes as above described, except relating to a buried telephone line.

Notwithstanding the perpetual grant of this easement as provided above, in the event said power line is permanently abandoned, this easement shall cease and terminate with no further action being required by any party.

The aforesaid agreement of September 5, 1986, contains certain obligations on behalf of the parties thereto, which obligations of Ehlers as set forth therein are assumed by HDI Associates v by acceptance of this easement, and all of those provisions, except as expressly provided herein, shall survive as therein provided. Breach of said obligations shall not terminate the easement herein granted, but Obenchain may enforce the same by action at law or equity.

Dated this 22 day of October, 1988.

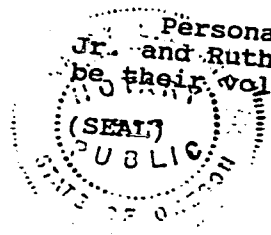
Frank W. Obenchain
FRANK OBENCHAIN, Jr., aka F. W. Obenchain

Ruth Obenchain
RUTH OBENCHAIN

STATE OF OREGON)
) ss.
County of Klamath)

October 22, 1988

Personally appeared before me the above named Frank Obenchain, Jr. and Ruth Obenchain and acknowledged the foregoing instrument to be their voluntary act and deed.



Nancy L. L. L. L.
Notary Public for Oregon
My Commission expires: 11/1/91

18631

24400

NORTH FORK HYDRO-TRANSMISSION LINE
THROUGH OBENCHAIN LANDS

An electric transmission line through the lands of F.W. & Ruth Obenchain in Section 7, Township 36 South, Range 15 East of the Willamette Meridian, Sections 12 and 14, Township 36 South, Range 14 East of the Willamette Meridian, and the lands of Frank Obenchain Jr. in Section 13, Township 36 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, the centerline of said transmission line being more particularly described as follows;

Beginning at a point 732.65 feet due West of the one-quarter corner common to sections 6 and 7, T.36S., R.15 E., W.M. and running thence South 51°57'40" West 247.72 feet; thence South 67°35'30" West 319.60 feet; thence South 33°24'38" West 399.90 feet; thence South 46°54'15" West 329.80 feet; thence South 08°27'24" West 639.70 feet; thence South 27°12'45" West 320.00 feet; thence South 41°44'52" West 639.90 feet; thence South 60°01'50" West 320.00 feet; thence South 52°40'34" West 320.00 feet; thence South 12°31'51" West 319.80 feet; thence South 02°57'32" East 1320.00 feet; thence South 37°50'34" West 4160.00 feet; thence South 37°32'36" West 960.00 feet; thence South 39°13'54" West 2603.90 feet; thence South 00°14'03" West 20.00 feet to an ending point 20 feet due West of the corner common to Sections 13, 14, 23 and 24, T.36S., R.14E., W.M.

1189-01
November 1, 1988

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Russell D. Hendricks
OREGON
July 9, 1965
RUSSELL D. HENDRICKS
688

20002563

8 of 9

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 2nd day
of Nov. A.D., 19 88 at 3:36 o'clock P.M., and duly recorded in Vol. M88
of Deeds on Page 18629
By Evelyn Biehn County Clerk
Pauline M. Henderson

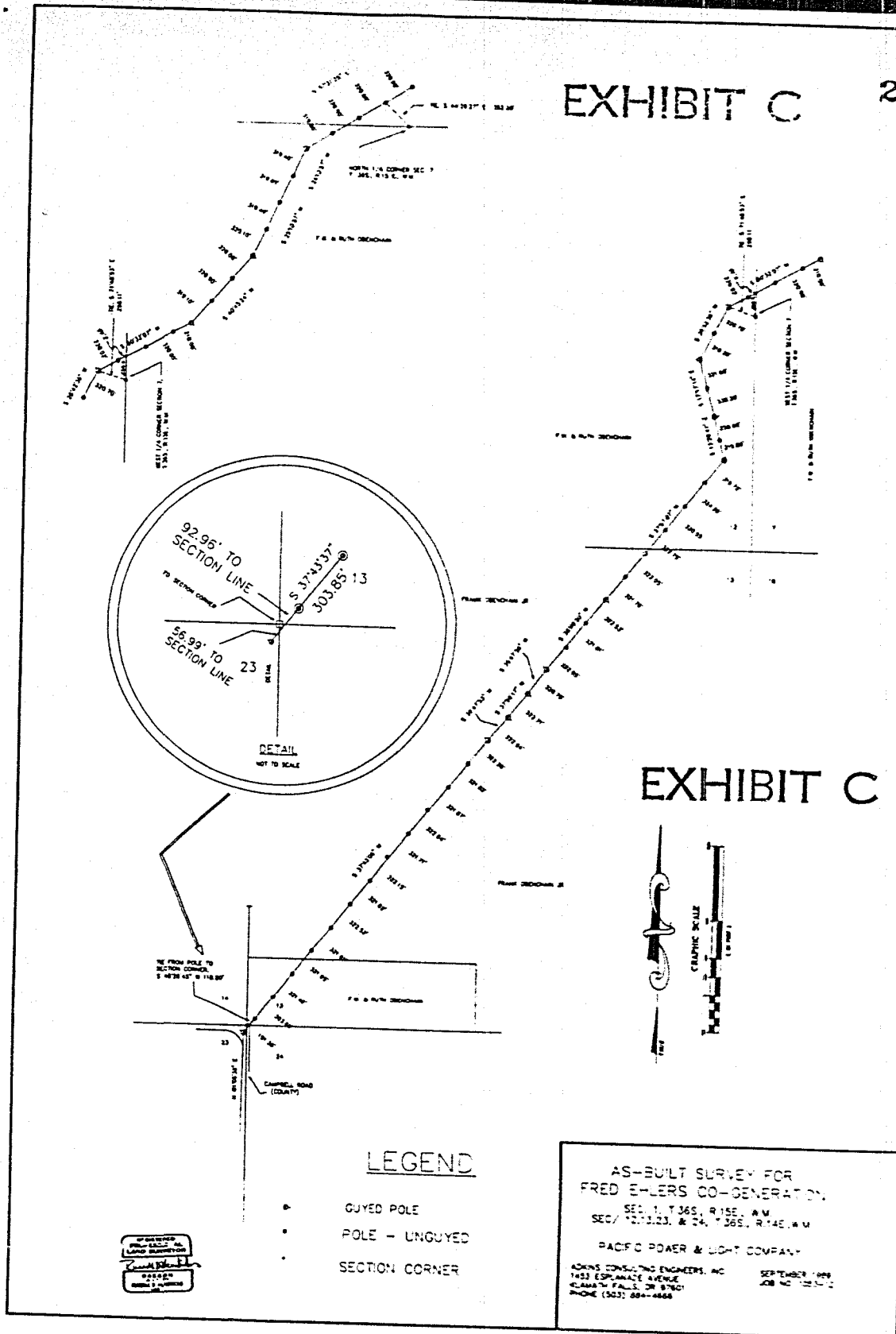
FEE \$18.00

Return: K.C.T.C.

INDEXED
3/11/89

EXHIBIT C

24401



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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Pacific Power & Light the 21st day
of Nov. A.D., 19 91 at 10:04 o'clock AM., and duly recorded in Vol. M91
of Deeds on Page 24393

FEE \$48.00

Evelyn Biehn - County Clerk

By Daniel M. Mendenhall

Return: Pacific Power & Light