

RECIPROCAL EASEMENT

This Agreement is made as of the 1st day of September, 1992, by and between:

A. RICHARD GEARY; and MARTHA D. SMITH, DOROTHEA G. YELLOTT, RICHARD GEARY and SUSAN G. BOEHNER, as Trustees of the Martha D. Smith Intervivos Trust dated March 15, 1977; who are referred to hereinafter as the "Owners of Parcel 1;"

B. ALICE G. KILHAM; FIRST INTERSTATE BANK OF OREGON, as Trustee under the Will of Edward Geary; MARTHA D. SMITH, as Trustee under the Will of Arthur M. Geary; SUE SNYDAL; BETTY SUEHSDORF; DOROTHEA G. YELLOTT; RICHARD GEARY and SUSAN G. BOEHNER; who are referred to hereinafter as the "Owners of Parcel 2;" and

C. DANOC CORP., an Oregon Corporation, which is referred to hereinafter as the "Owner of Parcel 3."

RECITALS:

A. The Owners of Parcel 1 are the owners, as tenants in common, of the following described real property located in Klamath County, Oregon, to-wit:

That portion of the SE 1/4 NE 1/4 lying Northeasterly of Highway 140 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian; and

The SW 1/4 NW 1/4 of Section 6, Township 39 South, Range 9 East of the Willamette Meridian.

B. The Owners of Parcel 2, doing business as "Geary Brothers," are the owners of the following described real property located in Klamath County, Oregon, to-wit:

(1) The SE 1/4 NE 1/4 and the SE 1/4 of Section 36, Twp. 38 S., Range 8 E., W.M.;

(2) A portion of the North half of the NE 1/4 of Section 1, Twp. 39 S., Range 8 E., W.M., described as follows:

Beginning at the Northeast corner of the Section; thence West along the North boundary of the section to the North-South center line of said Section; thence South to the intersection of the North-South center line of the section with the Northerly boundary of State Highway 140; thence following the Northerly

boundary of Highway 140 Southeasterly to its intersection with the South boundary of the North half of the Northeast quarter of said Section 1; thence East on the South boundary of the North half of the Northeast quarter of Section 1 to its intersection with the East boundary of Section 1; thence North to the point of beginning;

^ (3) The easterly 40 feet of that portion of the SW 1/4 NE 1/4 of Section 1, Twp. 38 S., R. 9 E.W.M. lying Northerly of Highway 140;

^ (4) The SW 1/4 NW 1/4 and the W 1/2 SW 1/4 of Section 31, Twp. 38 S., Range 9 E.W.M.; and

^ (5) The N 1/2 N 1/2 of Section 6, Twp. 39 S., Range 9 E.W.M.

^ C. The Owner of Parcel 3 is the owner of the following described real property, to-wit:

The S 1/2 of the NE 1/4, the N 1/2 of the SE 1/4, the NW 1/4 SW 1/4, and the SE 1/4 NW 1/4 of Section 6, Twp. 39 S., R. 9 E.W.M.

D. The parties each desire to develop, or to make their respective ownerships available for development, for residential and commercial purposes.

E. The parties desire to provide alternate routes for access to and from their respective parcels and intend, by entering into the Agreement, to create permanent, mutual, reciprocal easements and mutual rights of way for use by them and their successors and assigns for access to and from their respective ownerships.

The parties therefore agree as follows:

1. The parties hereby grant and convey to each other permanent, mutual reciprocal rights of way on, over, across and along the following described corridors:

A. Delap Pit Road Access. A right of way, 60 feet in width, commencing at the northern terminus of Delap Pit Road, a county road, thence northwesterly along the currently existing route across the NW 1/4 SE 1/4, NE 1/4 SW 1/4 and the SE 1/4 NW 1/4 of Section 6, Twp. 39 S., R. 9 E.W.M. to the southerly boundary line of the NE 1/4 NW 1/4 of said Section 6.

B. Lindley Way Access. A right of way, 60 feet in width, commencing at the eastern terminus of Lindley Way, a city street, thence northerly along the currently existing

route across the SE 1/4 NE 1/4 of said section 6 to the northern boundary of said SE 1/4 NE 1/4.

C. Highway 140 Access. A right of way, 60 feet in width, commencing at the northeasterly right of way line of Highway 140 at the existing access point in the SE 1/4 NE 1/4 of Section 1, Twp. 39 S., R. 8 E.W.M.; thence easterly across said sixteenth section to a point near the center of the north-south section line common to said sixteenth section and the SW 1/4 NW 1/4 of Section 6, Twp. 39 S., R. 9 E.W.M.; thence continuing southeasterly across the said SW 1/4 NW 1/4, the southerly edge of the SE 1/4 NW 1/4 and the northerly edge of the NE 1/4 SW 1/4 of said Section 6 to a point on the existing route of the Delap Pit Road Access in said SE 1/4 NW 1/4.

Each such access right of way is shown on the map attached hereto as Exhibit A.

2. Each of the above described rights of way shall be appurtenant to and benefit the respective ownerships of the parties, including any land hereafter acquired by the parties, their successors or assigns, which is contiguous to any of the real property currently owned by any of the parties.
3. The parties acknowledge that each of the access routes, to the extent they have been developed, consists of crude single-lane dirt road. Any party may make minor adjustments to the location of any portion of any right of way if necessary to accommodate the future development of the land of any of the parties.
4. The rights of way established by this agreement may be used for vehicular and pedestrian ingress and egress. The rights of way shall not be used as utility corridors without the prior written approval of the landowner. No party's rights hereunder shall lapse as a result of the party's failure to use the right of way.
5. The parties have made this Agreement in anticipation of the development of their respective parcels. It is probable that one or more of the rights of way established hereby will be developed to the standards, then existing, of the land development code(s) of the city, county or other entity with jurisdiction. In the event said entity requires a wider or a narrower right of way, the rights of way established hereby shall be adjusted accordingly.
6. Any party may, at any time, improve any of the rights of way established hereby. Provided, however, that none of the other parties shall have any obligation to participate financially in any such improvements. The party making said improvements shall be solely responsible for the maintenance of

said improvements until such time as another party commence the improvement of its property. Thereafter, the costs of maintenance shall be shared by each holder of an interest in the easement in proportion to the use made of the easement by each holder of an interest in the easement. Use of the easement shall be based on the frequency of use and the weight of the vehicles using the easement.

7. Before commencing any improvement of a right of way, the party performing the improvement or its contractor shall procure broad form public liability insurance with minimum combined limits of not less than \$1,000,000 and shall maintain said policy in force at all times. Said policy shall provide liability coverage for any act or omission relating to the improvement of the right of way and to all activities, conditions, operations and usages thereof. Said policy shall name the owners of the land on which the right of way is located as additional insureds. Each party hereby agrees to indemnify and hold harmless the other parties from any liability and costs, including attorney's fees, arising out of the usage of the rights of way established hereby.

8. If a party is requested or required by an appropriate governmental jurisdiction to dedicate a right of way for public use, each party shall promptly execute and deliver to such jurisdiction a deed conveying its respective portion of the right of way for such purposes.

9. No party shall unreasonably curtail or impede use of the rights of way for vehicular and pedestrian ingress and egress.

10. In the event any party shall fail to perform its obligations under this agreement, the other party shall be entitled to require such performance by suit for specific performance or, where appropriate, through injunctive relief. Such remedies shall be in addition to any other remedies afforded under Oregon law and those rights of cure and reimbursement specifically granted under this agreement.

11. In the event of any litigation arising under this agreement, the prevailing party shall recover from the losing party the prevailing party's reasonable attorney fees at trial or on appeal as adjudged by the trial or appellate court.

12. The easements granted hereunder shall run with the land as to all property burdened and benefitted by such easements, including any division or partition of such property. The rights, covenants and obligations contained in this agreement shall bind, burden and benefit each party's successors and assigns, lessees, mortgagees (or beneficiaries under a deed of trust).

BY DANOC CORP.
James O'Connor

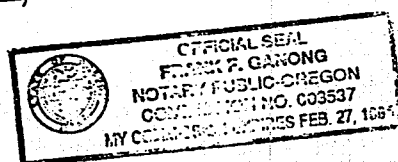
O'CONNOR LIVESTOCK CO

BY Jack O'Connor Its President
 STATE OF OREGON)
) ss

County of Klamath)

Martha D. Smith, Trustee
 Martha D. Smith, Trustee

The foregoing instrument was acknowledged before me this
4th day of September, 1992, by Martha D. Smith.



Frank F. Ganong
 Notary Public for Oregon
 My commission expires: 2/27/93

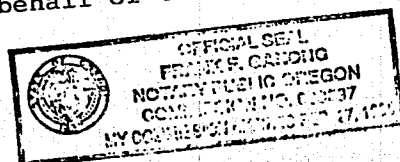
STATE OF OREGON)
) ss
 County of Klamath)

The foregoing instrument was acknowledged before me this
12th day of ~~September~~ October, 1992, by James O'Connor
 President of DANOC Corp, an Oregon corporation, on behalf of the
 corporation.

Nancy Lee Bodkin
 Notary Public for Oregon
 My commission expires: 2/8/93

STATE OF OREGON)
) ss
 County of Klamath)

The foregoing instrument was acknowledged before me this
15th day of September, 1992 by Jack O'Connor
 President of O'Connor Livestock Co., an Oregon corporation, on
 behalf of the corporation.



Frank F. Ganong
 Notary Public for Oregon
 My commission expires: 2/27/93

After recording return
 to:

Barnhisel & Ganong
 323 Main Street
 Klamath Falls, OR 97601

Signature Page
(Co-Owner counterpart)

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

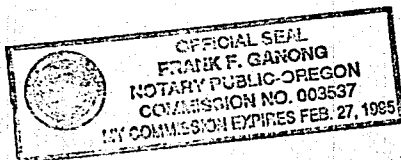
ALICE GEARY KILHAM

Alice Geary Kilham

STATE OF OREGON COUNTY OF KLAMATH

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that ALICE GEARY KILHAM, known to me to be the same person whose name is subscribed above, appeared before me this day in person and acknowledged that she signed the same as her free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 4th day of September, 1992.



Frank F. Ganong
Notary Public
My commission expires: 2/27/95

**Signature Page
(Co-Owner counterpart)**

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

FIRST INTERSTATE BANK OF OREGON,
N.A., AS TRUSTEE UNDER THE WILL
OF EDWARD GEARY (Co-Trustee)

BY: Doreen J. Janky

BY: W. D. Allen

STATE OF OREGON, COUNTY OF JACKSON) ss

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Gregory J. Dese/yn
as VICE-PRESIDENT and Robert Diller
as TRUST OFFICER of FIRST
INTERSTATE BANK OF OREGON, N.A., AS TRUSTEE UNDER THE WILL OF
EDWARD GEARY, are known to me to be the same persons whose names
are subscribed above, appeared before me this day in person and
acknowledged that they signed the same as their free and voluntary
act for the uses and purposes therein stated.

Given under my hand and seal this 21st day of September,
1992.

Cynthia Lees
CYNTHIA LEES
NOTARY PUBLIC-OREGON.
My Commission Expires
Notary Public for 3-19-93
My commission expires:

24112-C

Signature Page
(Co-Owner counterpart)

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

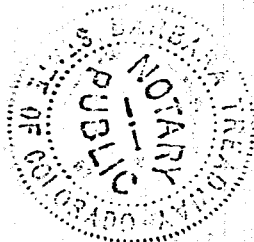
SUE SNYDAL

Sue Snyder

STATE OF COLORADO, COUNTY OF MORGAN) ss

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that SUE SNYDAL is known to me to be the same person whose name is subscribed above, appeared before me this day in person and acknowledged that she signed the same as her free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 16th day of September, 1992.



Barbara Shadway
Notary Public for State of Colorado
My commission expires:
October 12, 1995

24112-D

Signature Page
(Co-Owner counterpart)

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

BETTY SUEHSDORF

BY: Adolph Suehsdorf
Adolph Suehsdorf, as Attorney
in Fact for Betty Suehsdorf

STATE OF California, COUNTY OF Sonoma) ss

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that ADOLPH SUEHSDORF, known to me to be the same person whose name is subscribed above, appeared before me this day in person and acknowledged that he signed the same as Attorney in Fact for Betty Suehsdorf.

Given under my hand and seal this 5 day of September 1992.



Official Seal
ROBERT A. MILLER
NOTARY PUBLIC - CALIFORNIA
SONOMA COUNTY
My Comm. Expires May 10, 1994

Robert A. Miller
Notary Public for California
Commission expires 10/1/94

Signature Page
(Co-Owner counterpart)

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

DOROTHEA GEARY YELLOTT

Dorothea Geary Yellott

STATE OF California, COUNTY OF Orange) ss

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that DOROTHEA GEARY YELLOTT is known to me to be the same person whose name is subscribed above, appeared before me this day in person and acknowledged that she signed the same as her free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 15th day of September, 1992.



Jean Ann Massie
Notary Public for State of California
My commission expires: August 8, 1995

24112-F

Signature Page
(Co-Owner counterpart)

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

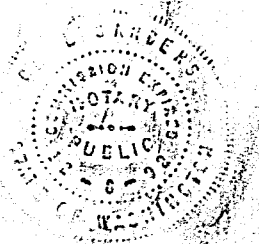
RICHARD GEARY

Richard Geary

STATE OF Washington, COUNTY OF Clark) ss

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that RICHARD GEARY is known to me to be the same person whose name is subscribed above, appeared before me this day in person and acknowledged that he signed the same as his free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 8th day of September, 1992.



[Signature]
Notary Public for WASHINGTON
My commission expires: 12-8-92

24112-6

**Signature Page
(Co-Owner counterpart)**

IN WITNESS WHEREOF, the undersigned hereby joins in that certain Reciprocal Easement dated September 1, 1992, to which this page is attached.

CO-OWNER

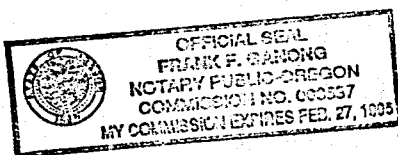
SUSAN GEARY BOEHNER

Susan Geary Boehner

STATE OF OREGON, COUNTY OF KLAMATH) ss

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that SUSAN GEARY BOEHNER is known to me to be the same person whose name is subscribed above, appeared before me this day in person and acknowledged that she signed the same as her free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 4th day of SEPTEMBER, 1992.



Frank F. Ganong
Notary Public for OREGON
My commission expires: 2/27/95

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Barnhisel & Ganong the 15th day
of Oct. A.D. 19 92 at 10:46 o'clock A M., and duly recorded in Vol. M92
of Deeds on Page 24107.
Evelyn Biehn - County Clerk
By Pauline Nielsen

FEE \$90.00