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01-18-94P01:31 RCVD

RETURN TO: KLAMATH COUNTY TITLE
422 MAIN ST.
KLAMATH FALLS, OR 97601
COLLECTION DEPT.

K-45550
GRANT OF EASEMENT

Vol. m 94 Page 1807

1. RECITALS

1.1 Parties: Dennis Hitt and Janis Hitt hereinafter called "Grantor" and Silas W. Kilgore, hereinafter called "Grantee."

1.2 Grantee, by Warranty Deed of even date, has sold to Grantor the following described real property:

Township 41 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Section 7: $E\frac{1}{2}NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}SE\frac{1}{4}$

Section 8: $NW\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}$

1.3 As part of the sale transaction Grantor and Grantee have agreed that Grantee may retain the use of his home, driveway and adjacent space, fuel tanks, water and sewage system and the existing access thereto as long as he is physically able to remain living in the house.

2. GRANT OF EASEMENT

2.1 Grantor grants to Grantee an easement and profit a pendre consisting of the access to and use of the property described in Exhibit "A" which is attached hereto and incorporated herein by reference. This grant is personal to Grantee but extends to the heirs, assignees and successors in interest of Grantor.

3. PURPOSE OF EASEMENT

3.1 Grantee shall have the exclusive right to the use of the home, out buildings and other appertinencies located on the property and shall have joint use with Grantor of the driveway and water system.

4. DURATION OF GRANT

4.1 Grantee shall have the full use of the house, water and septic system, driveway and fuel tanks during the remainder of his life or until he shall become permanently disabled to the extent described in Section 5.

5. DISABILITY

5.1 It is the intent of the parties that Grantee shall have the use of the premises as his residence during the remainder of his life or until Grantee becomes disabled (due to illness, age or any other cause) to such an extent that there is no reasonable expectation that he can continue to live in the residence during the remainder of his life.

5.2 Grantee agrees to place in escrow at Klamath County Title Company an executed reconveyance of his interest in the property described in Exhibit "A" to Grantor by way of Quitclaim Deed in a form acceptable to Grantor. Grantee will contemporaneously execute escrow instructions to Klamath County Title Company to the effect that when the said title company, as escrow holder, is presented with a death certificate evidencing Grantee's death or a medical report or affidavit from Grantee's attending physician indicating that Grantee is permanently disabled to the extent described in paragraph 4.1, the escrow holder shall surrender the Quitclaim Deed reconveying the easement to Grantor. By executing this document,

1 - GRANT OF EASEMENT

Grantee hereby authorizes Grantor to obtain such reports of Grantee's medical condition at Grantor's expense, as may be relevant to the purposes expressed in this and the preceding paragraph.

6. TAXES

6.1 All ad valorem real property taxes and all governmental and other assessments levied against the property described in Exhibit A shall be paid proportionally by Grantee.

7. MAINTENANCE AND ALTERATIONS

7.1 Maintenance: Grantee shall keep all buildings and other improvements and landscape now existing or that shall be placed upon the property, in at least as good condition and repair as of the date of this agreement and shall not permit any waste or removal of the improvements nor make any substantial improvement or alterations of a value in excess of \$2000.00 without the prior consent of Grantor.

7.2 Hazardous Substances: Grantee shall comply fully with all laws pertaining to the protection of human health and the environment including but not limited to all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of hazardous substances. Grantee shall promptly advise Grantor in writing of any hazardous substances regulated by such laws that are used, generated, manufactured, stored, transported or otherwise handled on the property.

8. INSURANCE

8.1 Grantee shall procure and maintain policies of fire insurance with standard extended coverage endorsement on a actual cash value basis, covering all improvements on the property with loss payable to Grantor. Grantee shall deliver to Grantor certificates of coverage containing a stipulation that coverage will not be cancelled or dismissed without a minimum of 30 days written notice to Grantor.

8.2 During the term of this agreement, Grantee shall maintain public liability and property damage insurance with a combined single limit of not less than \$300,000.00 for injury to one person and \$500,00.00 for injury to two or more persons in one occurrence and \$50,000.00 for damage to property. Such insurance shall be written on an occurrence basis and shall be primary with respect to all other insurance covering any of the insured risks; shall cover all risks arising directly or indirectly out of Grantee's activities on any condition of the property whether or not related to an occurrence caused or contributed to by Grantee's negligence. Grantee shall deliver to Grantor certificates of coverage from each insurance carrier containing a stipulation that coverage will not be cancelled or diminished without a minimum of 30 days written notice to Grantee.

9. SHARED WATER WELL

9.1 Grantee's residence is served by a water well adjacent to the northerly boundary of the premises described in Exhibit "A". Grantor and Grantee agree to share equally in the expense of operation and repair of the well and pump, including restoration as long as the well is used for domestic purposes only. In the event the well is used for agricultural purposes (other than the irrigation of grantee's lawn and garden) grantor agrees to pay for such additional expense as the parties shall from time to time agree. Grantor will do nothing which will interfere with Grantee's access to said pump, pump house and water supply.

10. LIENS & ENCUMBRANCES

10.1 Grantee shall keep the property free from all liens and encumbrances that may be imposed upon the property after the date of this agreement.

2 - GRANT OF EASEMENT

11. PRIOR AGREEMENTS

11.1 This document is the entire and final complete agreement of the parties pertaining to the use of the property described herein and supersedes and replaces all prior or existing written and oral agreements (including any earnest money agreement) between the parties or their representatives relating to the property and its use.

12. NOTICE

12.1 Any notice under this agreement shall be in writing and shall be effective when actually delivered in person or deposited in the United State mail registered or certified return receipt requested, postage prepaid and addressed to the party at the address stated in this agreement or such other address as either party may designate by written notice to the other.

Dennis & Janis Hitt
25420 N. Poe Valley Rd.
Klamath Falls, OR 97603

Silas W. Kilgore
21221 E. Langell Valley Rd.
Bonanza, OR 97623

13. APPLICABLE LAW

13.1 The parties agree that the laws of the State of Oregon shall be used in construing this agreement and enforcing the rights and remedies of the parties.

14. ARBITRATION

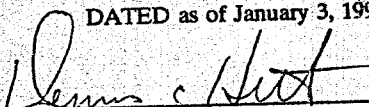
14.1 Either party shall require the arbitration of any matter arising under or in connection with this Grant. Arbitration is initiated and required by giving notice specifying the matter to be arbitrated. If a court action is already pending on any matter concerning which the notice is given, the notice is ineffective unless given before the expiration of 30 days after service of process on the person giving the notice. The arbitration shall be in conformity with and subject to the provisions of the Oregon Revised Statutes relating to arbitration as they stand amended at the time of the notice. The arbitrators shall be bound by this Grant. Pleadings in any action on the same matter shall, if the arbitration is required or consented to, be deemed amended to limit the issues to those contemplated by the rules prescribed above. Each party shall pay half of the arbitration including arbitrators' fees. Attorney fees shall be awarded as separately provided in this Grant. Three arbitrators shall be appointed as follows: (a) within 30 days of notice requiring arbitration, each party shall appoint one arbitrator and give notice of the appointment to the other party; (b) the two arbitrators shall choose a third arbitrator within 20 days after appointment of the second; and (c) if either party fails to appoint an arbitrator, or if the two arbitrators fail to choose a third, the appointment shall be made by the then presiding judge of the Circuit Court for Klamath County, Oregon, acting in its individual and non-official capacity on the application of either party and on 20 days' notice to the other party; provided that either party may, by notice given before commencement of the arbitration hearing, consent to arbitration by the arbitrator appointed by the other party, in which event, no further appointments of arbitrators shall be made and any other arbitrators previously appointed shall be dismissed.

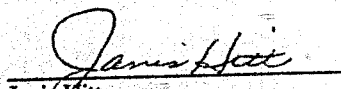
15. GENDER AND CAPTIONS

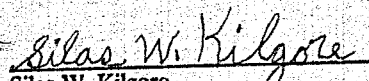
15.1 As used herein the singular shall include the plural and the plural shall include the singular, the masculine and the neuter shall each include the masculine, feminine and neuter as the context required.

All captions required herein are intended solely for convenience of reference and shall in no way limit any of the provisions of the contract.

DATED as of January 3, 1994.

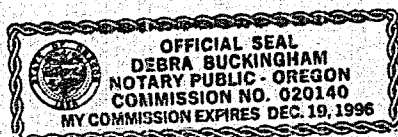

Dennis Hitt

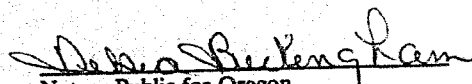

Janis Hitt


Silas W. Kilgore

STATE OF OREGON)
) ss.
County of Klamath)

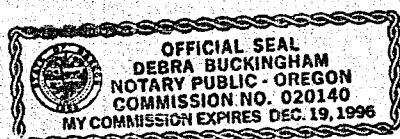
On this 18 day of January, 1994, before me personally appeared DENNIS HITT and acknowledged the foregoing instrument to be his voluntary act and deed.

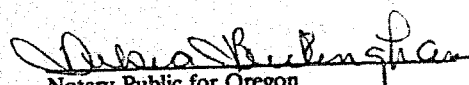



Notary Public for Oregon
My commission expires: 12-19-96

STATE OF OREGON)
) ss.
County of Klamath)

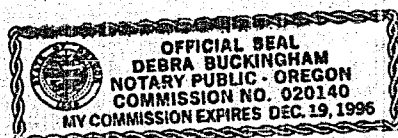
On this 18 day of January, 1994, before me personally appeared JANIS HITT and acknowledged the foregoing instrument to be her voluntary act and deed.

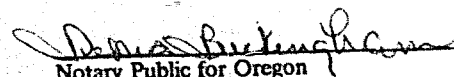



Notary Public for Oregon
My commission expires: 12-19-96

STATE OF OREGON)
) ss.
County of Klamath)

On this 17 day of January, 1994, before me personally appeared SILAS W. KILGORE and acknowledged the foregoing instrument to be his voluntary act and deed.




Notary Public for Oregon
My commission expires: 12-19-96

4 - GRANT OF EASEMENT

KILGORE RETAINED PROPERTY DESCRIPTION

A parcel of land belonging to the Grantor situate in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8 T41S R14E WM, Klamath County, Oregon being more particularly described as follows:

Commencing at a point where the north line of said Section 8 intersects the easterly Right-of-Way line of East Langell Valley Road; thence southerly, along said Right-of-Way Line, a distance of 825 feet more or less to the centerline of an existing graveled driveway said point being the TRUE POINT OF BEGINNING for this description; thence southeasterly along the centerline of said driveway 175 feet; thence leaving said driveway in a southerly direction a distance of 125 feet to a point in the existing fence; thence southwesterly along said fence a distance of 175 feet more or less to a point where said fence intersects the easterly Right-of-Way Line of the aforementioned East Langell Valley Road; thence northerly along said Right-of-Way Line, 263 feet more or less to the TRUE POINT OF BEGINNING.

The above description included a portion of an existing driveway along the northerly boundary said driveway being approximately 175 feet long and approximately 20 feet wide. Said driveway is intended for the joint use of the Grantee and Grantor as well as the Grantor's heirs and assigns.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title co
of Jan A.D., 19 94 at 1:31 o'clock P. M., and duly recorded in Vol. M94
of Deeds on Page 1807 day

FEE \$50.00

Evelyn Biehn

By

-County Clerk

Pauline M. Mendenhall