

AGREEMENT FOR EXCLUSION FROM KLAMATH IRRIGATION
DISTRICT AND RELEASE OF
WATER AND DRAINAGE RIGHTS

This Agreement is made by and between Aqua Glass West, Inc.
herein called Landowners, whether one or more, and the Klamath
Irrigation District, herein called KID.

RECITALS

A. Landowners own land in Klamath County, Oregon, which
contains 3.80 acres of irrigable land, is Klamath County
Tax Assessor Account No.(s): 3909-2200-00201; and is
more particularly described as follows:

See Exhibit "A" attached and made a part hereof

B. Landowners' predecessors in interest agreed to be
included within the Klamath Irrigation District for the purpose
of receiving irrigation water and drainage services from KID and
the United States of America, by and through the Bureau of
Reclamation, Klamath Project.

C. Landowners no longer desire to be included in Klamath
Irrigation District and receive said services and pay the costs
thereof.

AGREEMENT

NOW, THEREFORE, in consideration of the exclusion by KID of
Landowners' Land from the Klamath Irrigation District and the
release from KID's assessments, lien, collection and foreclosure
rights under Oregon Revised Statutes Chapter 545, Landowners and
Landowners' heirs, devisees, personal representatives, grantees,
vendees, successors and assigns, jointly and severally represent,
warrant, guarantee, covenant and agree with KID and its
successors and assigns as follows:

(1) Landowners are the sole owners and holders of the fee
simple title to the above described lands and have good right to
execute this Agreement and to bind said lands as herein agreed.

If said lands are subject to any trust deed, mortgage, contract of sale or other lien upon the land, landowners agree to furnish to KID, a recordable agreement from the owners and holders of such instrument or lien acknowledging the terms of this Agreement and consenting to landowner's execution of this Agreement. Provided, however, that the failure of landowners to so secure such Agreement shall not relieve landowners or said lands from any of the terms and conditions of this Agreement.

(2) Said lands do not have reasonable access to the system of irrigation works of the district, or have been permanently devoted to uses other than agriculture, horticulture, viticulture or grazing, or are subject to being irrigated from another source or, it is in the best interest of KID to exclude said land from assessment and from the benefits of the District.

(3) Landowners understand and agree that by executing this Agreement, they are releasing and waiving all rights of membership in KID, including the right to receive irrigation water, the right to use the drainage system, and the right to vote in any District election.

(4) Landowners understand that by the execution of this Agreement, said lands may lose any right to receive surface water and water flowing into and out of surface drainage ditches and canals (collectively "surface water") under State law because they acknowledge that the abandonment by nonuse of any prior right to receive surface water and by continued nonuse of surface water under this Agreement, the lands may fail to receive any future*water rights. Landowners does hereby assign, quitclaim and transfer unto KID the surface water right, if any, appurtenant to their land and do hereby irrevocably appoint the chairperson of the Directors of the Klamath Irrigation District as their attorney in fact to execute any and all documents which may be necessary to transfer said surface water right, and to exclude landowners' land from the District.

(5) Landowners do hereby recognize, ratify, grant and confirm the existence of all existing rights of KID or the United States 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 KID as now constructed and located upon or affecting Landowners' said property and do hereby grant unto KID and the United States right, right of way, easement and servitude for all surface water, including for percolation, seepage, leakage, overflow, flooding and any other failure or lack of drainage which now exists or which at any time may hereafter occur or result from any irrigation or drainage facility on or near any part of the Landowners' said land.

(6) Landowners do hereby absolve, waive and release both KID and the United States from any and all claims of liability

*surface

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.

(7) Landowners understand and agree that should they desire to be included in KID in the future, if such inclusion is possible, that before such request will be granted, Landowners will be required as a condition thereof to pay all assessments that have been exempted by this Agreement, plus the amount of all interest which would have been chargeable for nonpayment of such assessments if they had not been exempted by this Agreement.

(8) 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 KID and the United States of America, and their respective successors, grantees, transferees and assigns.

(9) 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 contained herein.

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

1994 WITNESS their hands this 21 day of March.

AQUA GLASS WEST, INC.

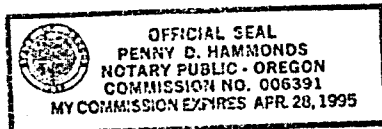
By Steve Simon

Its

LANDOWNERS

STATE OF OREGON)
) ss
County of Klamath)

The foregoing instrument was acknowledged before this 21st day of MARCH, 1994, by STEVE SIMON, VICE PRESIDENT / GENERAL MANAGER AQUA GLASS WEST, INC.



Penny D. Hammonds
Notary Public for Oregon

My commission expires: 4-28-95

The foregoing Instrument having been read and considered by the Board of Directors of KID 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 and accept the release to the District of the water and drainage rights which were appurtenant to said land.

NOW, THEREFORE, Klamath Irrigation District does hereby duly execute this Agreement this 26th day of April, 1994.

KLAMATH IRRIGATION DISTRICT

By

Steve Kardia
Its President

By

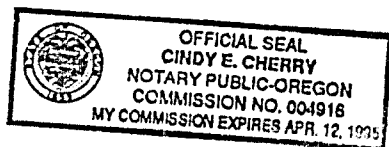
David Salem
Its Secretary

STATE OF OREGON)

) ss

County of Klamath)

On this 26th day of April, 1994, personally appeared Steve Kardia and David Salem, who, being duly sworn did each say that Kardia is the President and Salem is the Secretary of Klamath Irrigation District and that the seal affixed to this instrument is the official seal of said 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.



Cindy E. Cherry
Notary Public for Oregon
My commission expires: 4/12/95

After recording return to: Klamath Irrigation District 6640 KID Lane, Klamath Falls, Oregon 97601.

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

AQUA GLASS SITE 08/19/92

A tract of land situated in the Southwest quarter of Section 15, and the Northwest quarter of Section 22, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the Northwest corner of property described in Volume M77, pages 11674 and 11675, Microfilm Records of Klamath County, Oregon; thence Southerly, along the West line of said property and its prolongation, 1475 feet to the true point of beginning; thence Westerly, along a straight line that is perpendicular to the Southerly prolongation of said West line, to the Northeast line of the Southern Pacific Railroad right of way; thence Northwesterly, along said Northeast line, to its intersection with a straight line between two points, which first point is at right angles to and easterly 100 feet from the existing right of way centerline of Washburn Way at O.S.H.D. preliminary Engineers Station 115+00 more or less, and the second point being at right angles to and easterly 150 feet from said existing right of way centerline at O.S.H.D. preliminary Engineers Station 101+50 more or less, said straight line being the proposed East right of way line of Washburn Way; thence Northerly, along said proposed East right of way line, to said second point; thence Northerly, along the prolongation of said proposed east right of way line, to its intersection with the Westerly prolongation of a straight line between two points, which first point is at right angles to and Southerly 140 feet from the existing right of way centerline of the South Side By-Pass at O.S.H.D. Engineers Station 237+89.38 and the second point being at right angles to and Southerly 110 feet from said existing right of way centerline at O.S.H.D. Engineers Station 245+00, said straight line being the proposed South right of way line of the South Side By-Pass; thence Easterly, along said Westerly prolongation, to said first point; thence continuing Easterly, along said proposed South right of way line, to said second point; thence Easterly, on a straight line to a point that is Westerly 1 foot from the intersection of said straight line and the West right of way line of the U.S.B.R. 1-G-1 Drain Canal (formerly known as the R-D-2 Drain) as described in Volume 26 Page 321 of the Klamath County Deed Records, the end point of said straight line being at right angles to and Southerly 90 feet from the existing centerline of the South Side By-Pass at O.S.H.D. Engineers Station 255+00, said straight line being the proposed South right of way line of the South Side By-Pass; thence Southeasterly, along a line that is parallel and concentric with and 1 foot Southwesterly of the Southwest right of way line of said 1-G-1 Drain, to the Southerly prolongation of the West line of property described in Volume M77 Pages 11674 and 11675 of the Klamath County Microfilm Records; thence Southerly, along said Southerly prolongation to the true point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of KID the 10th day
of May A.D., 19 94 at 10:01 o'clock A M., and duly recorded in Vol. M94
of Deeds on Page 14653

Evelyn Biehn - County Clerk
By Carlene Middleton

FEE \$30.00