

AGREEMENT  
RELEASE OF WATER RIGHTS

This agreement is by and between KLAMATH BASIN IMPROVEMENT DISTRICT, referred to herein as KBID and Melvin C. Hendrickson and Virginia K. Hendrickson, as Trustees of the Melvin C. Hendrickson and Virginia K. Hendrickson 1992 Revocable Living Trust. referred to herein as Owner.

WHEREAS:

Owner owns land more particularly described in Exhibit "A" attached hereto, in Klamath County, Oregon, referred to as Klamath County Tax Lot: 4112-0300-00301

Owner or Owner's predecessors in interest agreed to be included within the KBID for the purposes of receiving services, including delivery of water pursuant to the contracts that KBID has with the United States of America by and through the Bureau of Reclamation, Klamath Irrigation District and other districts located within the Klamath Project. KBID is obligated by contract to the following district or districts, hereinafter referred to as Delivery Districts, regarding water delivery to Owner's land:  
Shasta View Irrigation District

Owner no longer desires to receive water deliveries and pay the costs thereof.

IT IS THEREFORE AGREED:

CONDITIONS

This agreement is conditioned upon Delivery Districts forgiving payments owed by KBID associated with such real property by reason of contractual obligation between KBID and Delivery Districts. It is agreed that KBID will cooperate with Owner as Owner makes such requests upon Delivery Districts.

This agreement is further conditioned upon all mortgage and lienholders consenting and agreeing with this agreement, and such mortgage and lienholders subordinating their interest to KBID herein.

This agreement is further conditioned upon all construction charges owed to the United States, acting by and through the Bureau of Reclamation have been paid in full.

A further condition of this agreement is approval of this agreement, and approval of resolution exempting the subject real property from assessments, by the Board of Directors of KBID.

KBID agrees as follows:

1. Upon properly execution of this agreement by all parties, including Delivery Districts, Mortgage and lienholders, and Owner, and upon conditions to this agreement being met, KBID releases Owner from KBID assessments, lien, collection and foreclosure rights KBID has under Oregon law.

OWNER agrees and represents as follows:

Agreement/release of water rights  
Page 1.

1. Owner are the sole owners and holders of the fee simple title to the subject real property, and have good right and title to enter into this agreement.
2. Owner hereby relinquishes, waives and releases all rights of membership and by virtue of being included in the boundaries of KBID, including waiving the right to vote, and receive irrigation water.
3. Owner understands that by entering into this agreement and Owner's failure to apply irrigation water by virtue of rights under KBID and the Klamath Project, Bureau of Reclamation, that Owner may be waiving and forfeiting water rights, including claims to water rights under the laws of the State of Oregon. Owner assigns, transfers and quitclaims to KBID all water rights, if any, appurtenant to the subject real property. Owner irrevocably appoints the Chairman of the Directors of KBID as attorney in fact for the purposes of transferring water rights and for exclusion of lands from KBID.
4. Owner hereby releases KBID, Delivery Districts, and the United States from any and all claims of liability for any damages or injuries to person or property which may have occurred or is presently occurring in connection with the ownership, operation or maintenance of the Klamath Project and district operations and assessments.
5. KBID makes no representations about the possibility of allowing the real property to be included in KBID water deliveries in the future. Owner understands and agrees that should Owner request inclusion into KBID in the future and such inclusion can be allowed, then Owner shall be required to pay all assessments that have been exempted herein, plus interest which would have been chargeable for nonpayment of such assessments if they had not been exempted herein, plus other conditions or assessments as then determined by the Board of Directors of KBID.
6. The restrictions, grants and agreements contained herein shall run with subject real property and shall bind all future owners thereof in perpetuity.

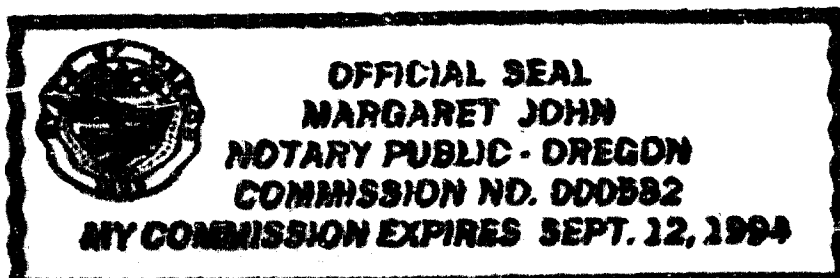
OWNER and KBID agree as follows:

1. This agreement is binding upon the heirs, successors and assigns of the respective parties.

This agreement is executed the 13<sup>th</sup> day of April, 199<sup>94</sup>.

OWNER: Melvin C. Hendrickson Virginia K. Hendrickson  
 Trustee Trustee  
 STATE OF OREGON }  
 County of Klamath } ss.

The foregoing instrument was acknowledged before me this 13 day of April, 199<sup>4</sup>, by Melvin C. Hendrickson and Virginia K. Hendrickson, as Trustees of the Melvin C. Hendrickson and Virginia K. Hendrickson 1992 Revocable Living Trust.



Margaret John  
 Notary Public for Oregon  
 My Commission expires: 9-12-94



KLAMATH BASIN IMPROVEMENT DISTRICT, by:

Warren W. Haught Cindy E. Cherry

STATE OF OREGON

County of Klamath

ss.

On this 5th day of MAY, 1994, personally appeared WARREN W. HAUGHT and CINDY E. CHERRY, who, being duly sworn, each for himself and not one for the other, did say that the former is the PRESIDENT and that latter is the secretary of Klamath Basin Improvement District and that said instrument was signed and sealed in behalf of said district by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. Before me:



OFFICIAL SEAL  
CAROL S. HUBBARD  
NOTARY PUBLIC-OREGON  
COMMISSION NO. 002467  
MY COMMISSION EXPIRES NOV. 27, 1994

Carol S. Hubbard  
Notary Public for Oregon  
My Commission expires: 11-27-94

After recording return to: Klamath Basin Improvement District 6640 KID Lane, Klamath Falls, Oregon, 97603

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ the \_\_\_\_\_ day  
of \_\_\_\_\_ A.D., 199\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_ M., and duly recorded in Vol. \_\_\_\_\_  
of \_\_\_\_\_ on Page \_\_\_\_\_.

FEE \$ \_\_\_\_\_

County Clerk

By \_\_\_\_\_



## 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 agreement, in consideration of the exemption of said lands from future assessments of KBID, do hereby subordinate such interest and liens to the terms and conditions of the Agreement to which this is attached and agree they shall be bound by the same.

NORTHWEST FARM CREDIT SERVICES, ACA  
 By: [Signature], BRANCH MANAGER

STATE OF OREGON

County of Klamath

 )  
 ss.  
 )

On this 13 day of APRIL, 1994, personally appeared JOHN H. RAYL and [Signature], who, being duly sworn, each for himself and not one for the other, did say that the former is the Branch Manager and that latter is the secretary of Authorized Representative and that said instrument was signed and sealed in behalf of said district by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. Before me:

\_\_\_\_\_  
 Notary Public for Oregon  
 My Commission expires:

STATE OF OREGON

County of Klamath

 )  
 ss.  
 )

On this 13 day of APRIL, 1994, before me personally appeared John H. Rayl, Branch Manager, known to me to be an authorized agent of the Northwest Farm Credit Services, ACA that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he was authorized to execute said instrument.



Margaret John  
 Notary Public for the State of Oregon  
 Residing at Klamath Falls, OR  
 My Commission Expires: 9-12-94



15917

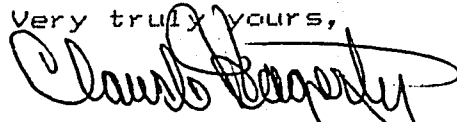
SHASTA VIEW IRRIGATION DISTRICT  
P.O. BOX 46  
MALIN, OR 97632

Kay Hendrickson  
Crown Nursery  
6529 Quail Creek Road  
Redding, CA 96002

Dear Ms. Hendrickson:

Shasta View Irrigation District hereby agrees to release  
water rights on a .08 acre strip of land described in  
Exhibit "A" attached hereto.

Very truly yours,



SHASTA VIEW IRRIGATION DISTRICT,  
PRESIDENT, CLAUDE HAGERTY

## EXHIBIT "A"

EXCEPTING THEREFROM that portion of Volume M90, at page 24850, Microfilm Records of Klamath County, Oregon, lying South and West of that certain boundary line created by instrument recorded in Volume M91, page 18236, Microfilm Records of Klamath County, Oregon, to wit:

An existing fence line situated in the Northwest quarter of the Northeast quarter of Section 3, Township 41 South, Range 12 East, of the Willamette Meridian, Klamath County, Oregon, and the Southwest quarter of the Southeast quarter and the Southeast quarter of the Southwest quarter of Section 34, Township 40 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the intersection of the East line of said Northwest quarter of the Northeast quarter, and an existing fence line from which the Easterly 1/16th corner common to said Sections 3 and 34 bears North 00 degrees 24' 17" West, 8.67 feet (fence corner bears North 89 degrees 39' 51" East, 1.7 feet); thence along said fence line South 89 degrees 39' 51" West, 802.26 feet; thence North 00 degrees 10' 19" East, 811.39 feet, thence North 72 degrees 12' 01" West, 943.95 feet, thence South 00 degrees 33' 24" West, 134.21 feet; thence South 87 degrees 33' 44" West, 420.12 feet; thence North 00 degrees 08' 32" East, 203.46 feet; thence North 47 degrees 49' 55" West, 219 feet, more or less, to a point on the East line of that tract of land described as Parcel 2 in Deed Volume M89, page 19, Microfilm Records of Klamath County, Oregon, with bearings based on recorded Survey No. 2600.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of KID the 20th day  
of May A.D., 19 94 at 10:31 o'clock A M., and duly recorded in Vol. M94,  
of Deeds on Page 15913.

FEE \$35.00

Evelyn Biehn

County Clerk

By Douglas M. Henderson