

After Recordation Return To:
City Recorder
P. O. Box 237
Klamath Falls, Oregon 97601

APN R531035 & R531044

Grant of Sewer Easement

THIS INDENTURE, made and entered into this 3rd day of April, 1996, by and between the City of Klamath Falls, Oregon (hereinafter referred to as "Grantee"), and Supply One, Inc., a Nevada corporation (hereinafter referred to as "Grantor"),

THAT THE GRANTOR, for good and valuable consideration paid by the Grantee, receipt of which is hereby acknowledged, does hereby grant to Grantee, its successors and assigns, without warranty, a nonexclusive permanent sixteen foot (16') wide sewer line easement to install, maintain, inspect, repair, alter and operate the sewer line and other necessary or convenient appurtenances connected therewith, across, over and through certain property ("Property") described in Deed Volume M-90, Pages 9829-9831 of Klamath County Deed Records, in Tract 70, Enterprise Tracts in Section 4, T.39S., R.9E., W.M., Klamath County, Oregon, the centerline of said easement being described as follows:

Beginning at a point on the East line of said Tract 70 from which the intersection of said East line and the southerly right-of-way line of South Sixth Street as the same is presently located and constructed bears N00°00'30"W 236.37 feet; thence N69°02'49"W 11.84 feet; thence N35°22'51"W 247.62 feet; thence N 43°31'37"W 164.79 feet thence S89°34'24"W 119.27 feet; thence N55°45'13"W 276.22 feet to a point on the Westerly line of said property described in Deed Vol. M-90, Page 9829-9831 from which point the Northwest corner of said property bears N00°06'22"W 174.45 feet, more or less, bearings based on Record of Survey No. 3542.

IT IS FURTHER AGREED:

1. Grantee shall have the right of ingress and egress over Grantor's Property and adjoining properties for the purposes of this easement. Grantee shall provide Grantor with reasonable notice prior to entering the Property for the purpose of inspecting and operating the sewer line and Grantee shall use its best efforts not to interfere with Grantor's development and operation of Grantor's Property and surrounding properties.
2. Grantee, at its sole cost and expense, shall maintain, repair and operate the sewer line, together with all facilities, structures, improvements and appurtenances connected therewith, in good and useable condition and repair.
3. In discharging its obligation of operating, repairing and maintaining the sewer line Grantee shall be responsible for returning the grounds in the Property to its original condition.

4. Grantee shall at all times save and hold harmless the Grantor from any and all loss, damage or liability it may suffer or sustain by reason of any injury or damage to the Property or any person or adjacent property caused by the maintenance, repair and operation of the sewer line.

5. Grantee shall not erect or construct, nor permit to be erected or constructed any building or permanent improvements, structures or appurtenances over and above the sixteen foot (16') easement.

6. Grantor shall have the right to remove or clear any and all buildings, structures, combustible materials, trees, brush, debris, or any other obstruction from said right of way, which in the judgment of Grantor may interfere with or endanger the construction, operation, and maintenance of the Property or surrounding property, including any structures thereon.

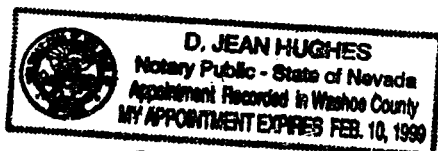
7. Grantor, its successors and assigns, shall have the right to erect, maintain, use, construct and provide landscaping and other improvements which now or hereafter may cross the Property; provided, however, such improvements will not inhibit access to the Grantee's sewer line or cause damage to it.

8. The waiver or breach of any of the provisions herein shall not be deemed to be a waiver of that provision or any other provisions or a waiver of any subsequent breach of such provisions.

9. The obligations of the parties under this Grant of Easement shall be binding upon and inure to the benefit of their respective successors and assigns, and said obligations shall be deemed covenants running with the Property and the successors and assigns shall have assumed and have agreed to perform all such obligations and covenants.

TO HAVE AND TO HOLD all and singular the said premises, granted together with the appurtenances, unto said Grantee, its successors and assigns.

IN WITNESS WHEREOF, the Grantor has duly executed this document this 3rd day of April, 1996.



D. Jean Hughes

Grantor:

Supply One, Inc.

By *[Signature]*

Title *CEO*

State of Nevada,)
) ss.
County of Washoe.)

On this 3rd day of April, 1996, personally appeared before me, a Notary Public, Nick Polaris, known or proven to me to be the person whose name is subscribed to the foregoing Grant of Easement, who acknowledged that he executed the same; he further acknowledged to me that in so doing he was acting in his capacity as _____ of Supply One, Inc., and for and on behalf of said corporation.

Notary Public

Attest:

Elisa D. Fritz
City Recorder

Grantee:

City of Klamath Falls, Oregon

By James R. Keller
Title CITY MANAGER

~~(City Notary Attached)~~

STATE OF OREGON }
COUNTY OF KLAMATH } ss
CITY OF KLAMATH FALLS }

On the 4th day of April, 1996, personally appeared James R. Keller and Elisa D. Fritz, who, each being first duly sworn, did say that the former is the City Manager and the latter is the City Recorder of the City of Klamath Falls, an Oregon municipal corporation, and that the instrument was signed on behalf of said municipal corporation; and each of them acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:

Traci R. Brace
Notary Public for Oregon



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ City Recorder _____ the 4th day
of April A.D., 19 96 at 3:03 o'clock PM., and duly recorded in Vol. M96
of Deeds _____ on Page 9549

FEE \$20.00

By Bernetha G. Letsch County Clerk