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K-51918
AGREEMENT FOR EASEMENTS

Parties: **JUN YANG and YAN LIANG** ("Jun and Yan")
108 Main Street
Klamath Falls, Oregon 97601

and **MOLATORE'S MOTEL, INC.** ("Molatore's")
An Oregon Corporation
100 Main Street
Klamath Falls, Oregon 97601

In consideration of the easements granted herein, the parties agree as follows:

1. **Recitals.** The parties declare that the following facts are true: Jun and Yan own that certain real property in Klamath Falls, Klamath County, Oregon, described as follows: Parcel 1 of City of Klamath Falls Property Line Adjustment 26-97, also described on Exhibit "A" entitled "Jun and Yan Property," which property is hereinafter referred to as the "Jun and Yan property".

Molatore's is the owner of that certain real property located in Klamath Falls, Klamath County, Oregon, described as follows: Parcel 2 of City of Klamath Falls Property Line Adjustment 26-97, also described on Exhibit "B" entitled "Molatore's Property," which property is hereinafter referred to as the "Molatore's property".

The Jun and Yan property and the Molatore's property were in common ownership until they were divided by means of City of Klamath Falls Property Line Adjustment 26-97. The Jun and Yan property and the Molatore's property are adjacent. Improvements on each of the properties are indicated on the City of Klamath Falls Property Line Adjustment 26-97 map filed at the Klamath County surveyor's office, as Klamath County Survey No. 6130. Said map is hereinafter referred to as "MAP". Located on the MAP are some of the easements referred to in this agreement.

Located on the Jun and Yan property is a restaurant building identified on

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JERRY H. Molatore,
426 Main Street
Klamath Falls, OR 97601

the MAP as "Yan's Restaurant & Lounge building". Also located on the Jun and Yan property is a parking lot, located generally to the west of Yan's Restaurant & Lounge building, a sign, located in the parking lot and within approximately twenty (20) feet of the northwest corner of Yan's Restaurant & Lounge building, two (2) light poles, located along the southerly boundary of the parking lot, and landscaping on the south side of the Yan's Restaurant & Lounge building.

Located on the Molatore's property are a motel building (Molatore's Quality Inn), and a motel office (Mount Thielsen Room building), located in the approximate locations as shown on the MAP. Located on the Molatore's property are a series of lights and connecting conduit used for the purposes of lighting the sidewalk located on the east side of the Jun and Yan property.

Utility lines serving the Jun and Yan property cross the Molatore's property, which lines supply electricity, natural gas, storm sewer services and sanitary sewer services. A portion of the storm sewer line for Jun and Yan's property serves Jun and Yan's property only, and a portion of the sanitary sewer line for Jun and Yan's property serves Jun and Yan's property only, and a portion of each of said lines serves buildings on the Molatore's property as well as the building on Jun and Yan's property. The storm sewer and sanitary sewer lines are not completely indicated on the MAP. Said lines run generally between and parallel to the arrows shown on the MAP.

The sign on Jun and Yan's property includes a portion dedicated to the Quality Inn, which is the business operated on the Molatore's property.

All electricity used on the Molatore's property is metered to the Molatore's property. All electricity used on Jun and Yan's property is metered to Jun and Yan's property, with the exception of the electricity used for the Quality Inn portion of the sign.

Access to Molatore's property is provided across Jun and Yan's property and access to Jun and Yan's property is provided across Molatore's property. The access is in the approximate location as shown on the MAP.

There is an underground electric utility line running from the Mount Thielsen Room building on the Molatore's property running to a line which serves the existing light

poles on Jun and Yan's property. The exact location of the line on the Molatore's property is unknown to the parties. Likewise, there is an underground electric utility line running from the Mount Thielsen Room building on the Molatore's property to Jun and Yan's property, which line supplies electricity for the sign. The exact location of the line running across Jun and Yan's property is unknown to the parties.

2. **General Conditions.** Each easement granted hereunder shall be perpetual, shall run with the land, and shall inure to the successors of the respective parties. The parties shall cooperate during periods of joint use so that each party's use shall cause a minimum of interference to the other; however, in event of conflict, the owner of the servient property's right of use shall take precedence. The dominant owner shall indemnify and defend the servient owner against any loss, claim or liability to the servient owner arising in any manner out of the dominant owner's use of the easement. All easements over the Molatore's property are appurtenant to the Jun and Yan property and all easements over the Jun and Yan property are appurtenant to the Molatore's property. In the event any easement is not used for a period of five (5) years or is otherwise abandoned, that easement shall automatically expire and the dominant property owner shall execute a recordable document evidencing such expiration. The easements over the Molatore's property herein granted may be used only for the benefit of Jun and Yan's property. The easements over Jun and Yan's property may be used only for the benefit of the Molatore's property.

3. **Easements Granted by Molatore's to Jun and Yan.** Molatore's grants to Jun and Yan the following easements:

a) Five (5) feet on either side of the existing utility lines for electricity, storm sewer, sanitary sewer, and natural gas as shown in their approximate locations on the MAP, for the purpose of maintaining, repairing, and replacing said utility lines.

b) That portion of Molatore's property which is ten (10) feet from the foundation of the Yan's Restaurant & Lounge building, for the purpose of maintenance, repair, and replacement of the Yan's Restaurant & Lounge building, as shown on the MAP. This easement shall terminate in the event of the destruction or removal of the Yan's

Restaurant & Lounge building.

c) Five (5) feet on either side of the existing electrical utility line providing electricity from the Mount Thielsen building to the light poles for the purpose of maintaining, repairing, and replacing said utility line.

d) The westerly five (5) feet along the westerly portion of Molatore's property adjacent to the easterly border of Jun and Yan's property for the purpose of maintaining, repairing, and replacing the existing sidewalk lights. This easement shall terminate in the event of the destruction or removal of Yan's Restaurant & Lounge building.

e) Five (5) feet on either side of the existing electric utility line providing electricity from the Mount Thielsen Room building to the sign for the purpose of maintaining, repairing, and replacing said utility line.

f) An easement for vehicular and pedestrian access across a strip of land twenty (20) feet in width, the center line of which is shown on the Map. This easement shall terminate in the event of the destruction or removal of the Yan's Restaurant & Lounge building.

4. Easements Granted by Jun and Yan to Molatore's. Jun and Yan grant to Molatore's the following easements:

a) That portion of Jun and Yan's property which is ten (10) feet from the foundation of the Mount Thielsen Room building, and that portion of Jun and Yan's property which is ten (10) feet from the foundation of the Molatore's Quality Inn building, for the purpose of maintenance, repair, and replacement of the Mount Thielsen Room building and the Molatore's Quality Inn building. The easement related to the Mount Thielsen Room building shall terminate in the event of the destruction or removal of the Mount Thielsen Room building and the easement related to the Molatore's Quality Inn building shall terminate in the event of the destruction or removal of the Molatore's Quality Inn building.

c) The right to enter upon the existing landscaped area located to the south of the Yan's Restaurant & Lounge building for the purposes of irrigating, pruning, trimming, maintaining, repairing, and replacing existing and future landscaping. Molatore's

shall have the right, but not the obligation, to irrigate, prune, trim, maintain, repair, and replace said landscaping. All such maintenance shall be at Molatore's expense.

d) An easement for vehicular and pedestrian access across a strip of land twenty (20) feet in width, the center line of which is shown on the MAP.

e) An easement for access to the sign for use, maintenance, repair, and replacement of the Quality Inn portion of the sign. Provided, however, in the event of the complete destruction of the sign, neither party shall have an obligation to replace the sign, but Molatore's shall have the right to erect a sign at Molatore's expense in compliance with the then existing ordinances of the City of Klamath Falls, which may be erected to the maximum height and size permitted by said ordinances. The location of the replacement sign shall be at a spot determined by Jun and Yan which location must be adjacent to the southerly border to the Main Street right-of-way and not more than twenty (20) feet from the current location of the sign. In the event of the replacement of said sign, Molatore's shall retain an easement for the purposes of replacing, reconstructing and maintaining the replacement sign. Said easement shall extend ten (10) feet around the base of said replacement sign.

f) Five (5) feet on either side of the existing electrical utility line running from the Mount Thiesen Room building to Jun and Yan's property which supplies electricity for the sign for the purpose of maintaining, repairing, and replacing said utility line.

5. Relocation. The owner of the servient estate shall have the right to relocate any easement for utility lines granted herein, provided that such relocation shall be at the expense of the servient owner and shall be accomplished so as not to unreasonably interfere with utility transmission by the dominant owner.

6. Maintenance. The cost of all maintenance, repair, and replacement for that portion of the storm sewer line and sanitary sewer line which are jointly used by Jun and Yan's property and Molatore's property shall be borne equally by both parties. All costs of maintenance, repair, and replacement for that portion of the storm sewer line and sanitary sewer line which serve Jun and Yan's property only shall be borne by Jun and

Yan's property. Expenses for maintenance, repair, and replacement of the other utility lines shall be borne by the owners of the dominant property. Maintenance, repair, and replacement of the sidewalk lights shall be at the expense of Jun and Yan's property. Maintenance, repair, and replacement for the vehicular and pedestrian access areas shall be borne by the owner of the servient property, but the owners of the servient property shall maintain, repair, and replace such area in a reasonable condition to allow both pedestrian and vehicular access.

7. **Standards.** In the event of maintenance, repair, or replacement pursuant to this agreement, all work performed shall be in compliance with all federal, state, and local laws, ordinances, and statutes; the servient property subject to the easements shall be restored to its former condition after completion of said work by the owner of the dominant property; the work shall be performed in a manner so as not to unreasonably interfere with business operations on the servient property; and the owner of the dominant property shall indemnify and defend the owner of the servient property from any loss, claim, or liability arising in any manner out of said maintenance, repair, or replacement.

8. **Default.** In the event of a default, the non-defaulting party may take one or more of the following steps: (1) specifically enforce the terms of this contract, (2) file an action for damages, (3) in the event of a default by the owner of the dominant property, the owner of the servient property may terminate the easement involved in the default, (4) after providing notice as provided below, and provided that the defaulting party has not remedied the default or proceeded in good faith to remedy the default as soon as reasonably possible after notice, the nondefaulting party may remedy the default. In such event, all reasonable expenditures of the nondefaulting party shall be immediately due and payable by the defaulting party to the nondefaulting party upon written demand therefor.

The remedies provided above shall be non-exclusive and are in addition to any other remedies provided by law.

Provided, however, that no party shall be in default until the non-defaulting party has provided notice according to the terms of this document, and provided further that a party is not in default if that party, within ten (10) days of notice, takes steps to

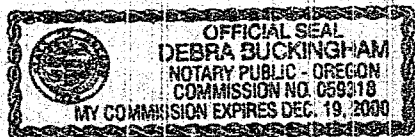
remedy the default and proceeds in good faith to remedy the default as soon as reasonably possible.

9. **Notice.** Any notice under this contract shall be in writing, shall specify any area of default with reasonable particularity, and shall be effective when actually delivered, or when deposited in the mail, registered or certified, postage fully prepaid, and addressed to the parties at the addresses stated in this document or to such other addresses as any party may designate by written notice to the other.

DATED: February 9th, 1998.

MOLATORE'S MOTEL, INC.

By: [Signature]
H. DAVID MOLATORE, President



[Signature]
JUN YANG
[Signature]
YAN LIANG

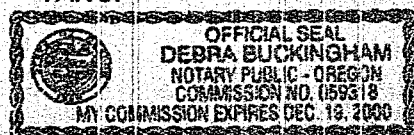
STATE OF OREGON)
)ss:
County of Klamath)

Subscribed and sworn to before me this 9th day of February, 1998, by H. DAVID MOLATORE as president of MOLATORE'S MOTEL, INC..

[Signature]
Notary Public for Oregon
My Commission Expires: 12-19-2000

STATE OF OREGON)
)ss:
County of Klamath)

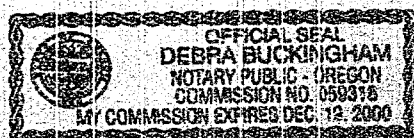
Subscribed and sworn to before me this 10th day of February, 1998, by JUN YANG.



[Signature]
Notary Public for Oregon
My Commission Expires: 12-19-2000

STATE OF OREGON)
)ss:
 County of Klamath)

Subscribed and sworn to before me this 10th day of February, 1998, by YAN LIANG.



Debba Buckingham
 Notary Public for Oregon

My Commission Expires: 12/12/00

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 10th day
 of February A.D., 19 98 at 3:13 o'clock P. M. and duly recorded in Vol. M98
 of Deeds on Page 4378

FEE \$65.00

By Bernetha G. Latsch County Clerk
Kathleen Rose