

Easement Agreement

THIS AGREEMENT is made this 16th day of March, 1999
between the county of Klamath, state of Oregon (County) and Richard S.
Fairclo (Fairclo).

It is recited that County owns the real property described as Lot 7, Block 34, Supplemental Plat of Linkville Oregon, Klamath County, Oregon, tax lot R3809-032AC-1300 (County property) and Fairclo owns the real property which is approximately the southwesterly 22 feet of Lot 8 of said Block 34 more particularly described in Exhibit "A" attached hereto, tax lot R3809-032AC-1400 (Fairclo property). Chain of title derives from a common owner on the property, which created four separate access sites from Main Street, which areas are separated by walls (bays), of which County property consists of 3 bays and Fairclo property consist of 1 bay. Further the County property and Fairclo property are both served by common items recited as follows and as generally sketched on Exhibit "B" attached hereto:

1. Common facade on wall facing Main Street, which includes brick and wood.
2. Common support wall between Fairclo property and County property.
3. Common water service from Main Street, through County property running to each of the four bays, including Fairclo property.
4. Common electrical service from Pacific Power and Light on Fairclo property on wall facing alley, where 4 electrical meter connections are located, 1 such meter connection is for Fairclo property and 3 for County property and 3 corresponding electrical conduits for County property run along Fairclo property and County property to each of the 3 bays on County property.
5. Common sewer service pipes located below floor level, receiving effluent from each bay, flowing through Fairclo and County property generally in a southwest direction to the utility.
6. Telephone service connection (US West) is located in building to the northeast of Fairclo property (Beddoe property) and runs below floor level from building to building through Fairclo property to County property (all four bays).

Over the years and deriving from the common ownership of the two properties, various rights and duties have been established; County is considering transferring County property to third party. Therefore, in consideration of the mutual covenants contained herein, the parties recite the above, grant rights and agree as follows:

The grants, rights, duties and agreements recited herein shall run with the land, to burden and benefit both Fairclo property and County property.

Fairclo grants to County and County grants to Fairclo mutual easements for the purposes and location described in items 1 through 6 above, and as sketched in Exhibit "B" subject to and according to the terms herein.

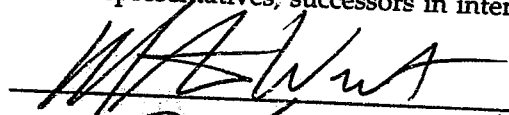
The parties agree that neither will interfere with such common items in a manner that will harm, interrupt service, or undermine the structural support of the other. In the event that construction or fixture alteration is conducted by either party, then the party conducting such activity shall bear the cost, if any, of maintaining the service or wall to the other party. The parties hereby grant access rights for such activity and for maintenance. Such activities, including access shall be conducted in a manner to not unreasonably interfere with the other party's utilization of such party's property. In the event that either party shall demolish such party's property, such party shall be responsible as above stated and shall close in the facade for the other party's property, seal the common wall to wind and weather, and to pay for fees and costs associated with governmental permits and regulations for such activities.

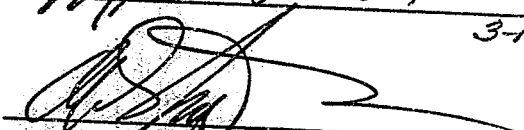
Except as above stated, each party shall be responsible for their own maintenance, delivery fees and costs of electricity, telephone, sewer and water (collectively referred to as utilities), when such utility delivery is separate and distinct to such party's respective parcel. In the event that maintenance, fees or costs not described above accrue for utilities, then the parties shall share in such amounts according to the agreement of the parties. In the event that such contributions are not agreed upon, then such costs shall be borne on a ratio of 3:1 (County costs to Fairclo costs).

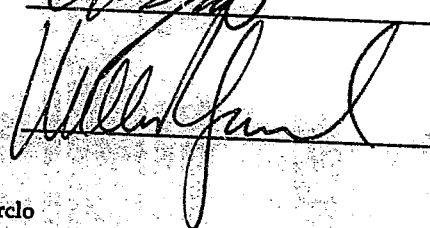
If suit or action is instituted to enforce any of the provisions of this agreement, the party prevailing therein shall be entitled to recover from the other such sums as the Court may adjudge reasonable as attorney's fees therein, including any appeal thereof.

This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, personal representatives, successors in interest and assigns as well.

COUNTY, by:


3-16-99


3-16-99


3-16-99

Klamath County/Fairclo

BF
Page 2

FAIRCLO: *[Signature]*

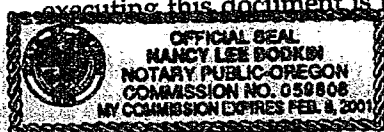
STATE OF OREGON

|
| ss.

County of Klamath

|

The foregoing instrument was acknowledged before me this 16th day of March, 1999, by M. Steven West, Chair,
Al Surtzer and William R. Laird
of Klamath County, Oregon, and such persons represents that they are the Commissioners of such County and that executing this document is the voluntary act of such entity.

*Nancy Lee Bodkin*Notary Public for Oregon
My Commission expires:

STATE OF OREGON

|
| ss.

County of Klamath

|

The foregoing instrument was acknowledged before me this 3rd day of February, 1999, by RICHARD S. FAIRCLO.

*Natalie D. Launder*Notary Public for Oregon
My Commission expires:

9363

13797

EXHIBIT "A"

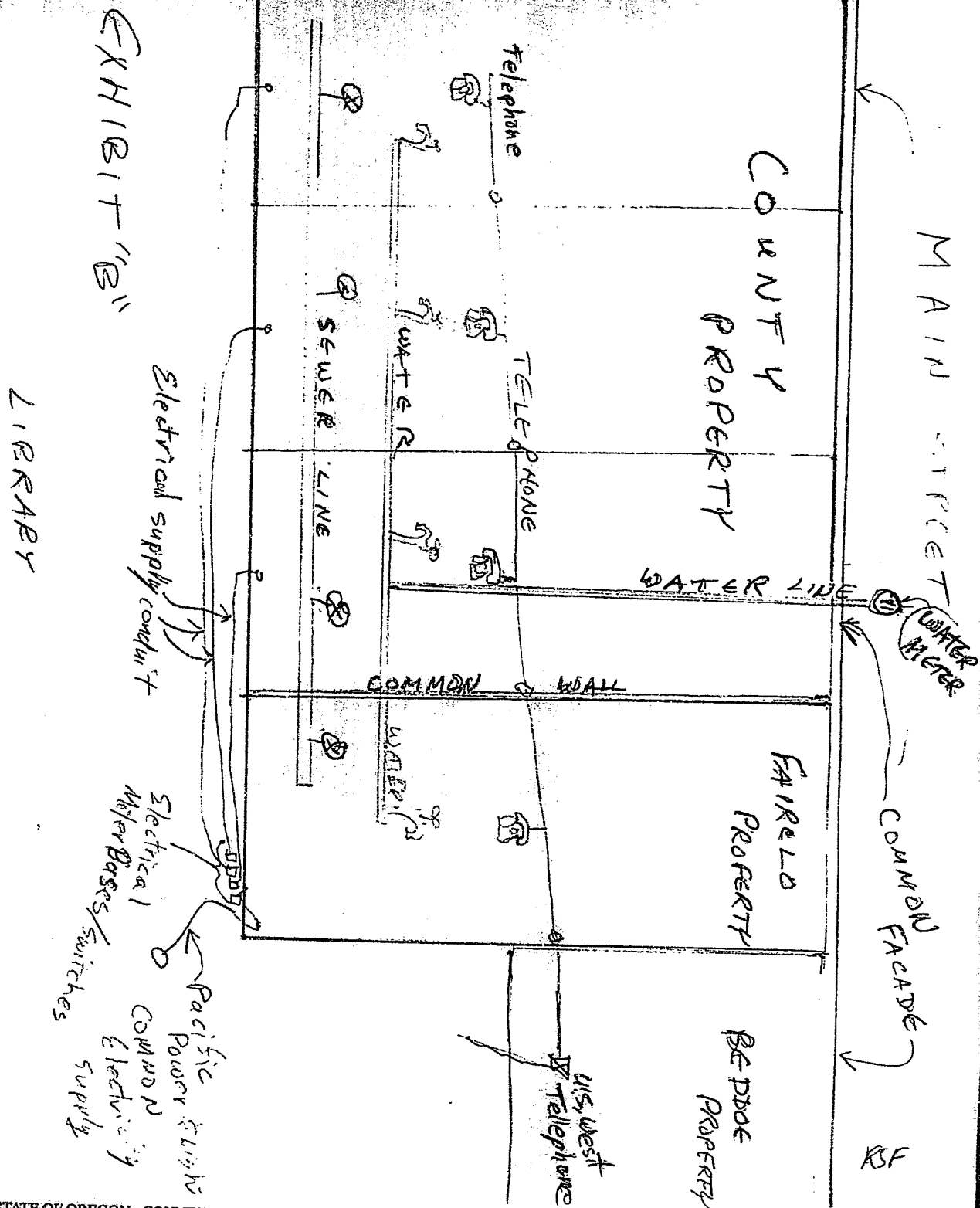
The following described real property situate in Klamath County, Oregon:

Beginning at the most Northerly corner of Lot 7 in Block 34 in the Original Town of Klamath Falls (formerly Linkville), Oregon, which point is at the intersection of the Southeasterly line of Main Street with the centerline of the wall between the storeroom of the building situate on the premises herein described and the storeroom in the same building which is located on Lot 7 of said block; thence Northeasterly along the Southeasterly line of Main Street a distance of 22.5 feet; thence Southeasterly parallel to the line between Lots 7 and 8 of said Block 34 a distance of 100 feet to the Northwesterly line of the alley; thence Southwesterly along the Northwesterly line of the alley a distance of 22.5 feet to the Southwesterly line of Lot 8; thence Northwesterly along the Southwesterly line of Lot 8, which line is also the centerline of the wall above mentioned, a distance of 100 feet to the point of beginning, being a portion of said Lot 8 in Block 34.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 24th day
of June A.D. 19 92 at 11:11 o'clock A. M. and duly recorded in Vol. M92
of Deeds on Page 13796
FEE \$35.00
Evalyn Biehn
By Evelyn Biehn County Clerk

RSF



STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County the 17th day of March A.D., 1999 at 2:11 o'clock P. M., and duly recorded in Vol. M99 of Deeds on Page 9360

Return: Property Sales

Linda Smith, County Clerk

FEE

No Fee

by Kathleen Rose