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Easement Agreement for Maintenance

1999 Ditch Agreement

This supplemental agreement is made by and between Klamath Drainage District, a drainage district formed according to the laws of the State of Oregon, herein referred to as KDD and M & B Cattle Company, a partnership, herein referred to as M & B and Baley and Trotman, herein referred to as Tenant.

Whereas, KDD delivers water to, and accepts drainage from, lands within its boundaries to lands of M & B and tenant leases lands from M & B; and

Whereas, M & B and Tenant desire KDD to construct ditch and related facilities for water deliveries, such construction to be on portions of lands of M & B and KDD from facilities of KDD for water deliveries to lands of M & B, and KD agrees to construct such facilities under certain condition;

In consideration to the mutual covenants of the parties and other valuable consideration it is therefore agreed as follows:

KDD shall construct ditches and roads and install culverts generally according to the sketch attached hereto and marked as Exhibit "A" and such construction shall benefit M & B owned lands located along said construction, said benefited lands are the W1/2 of Sections 30 and 31, Township 40 South, Range 9 East of the Willamette Meridian, and E1/2 of Sections 25 and 36, Township 40 South, Range 8 East of the Willamette Meridian Klamath County Oregon.

Tenant shall pay to KDD for the labor, materials and machinery rent according to the schedules and policy established by KDD board of supervisors. M & B guarantees obligation of Tenant.

KDD shall use its best efforts in construction. However, M & B and Tenant hereby release KDD, together with all of KDD's respective employees, officers, agents, supervisors, directors, predecessors, successors and assigns, of and from any and all past and present claims, demand, damages costs, attorneys fees, liabilities, actions and causes of action of every nature, character and description which M & B or Tenant party has held, now holds or may hold in the future, whether known or unknown, and whether based on contract, tort or other legal theory of recovery, arising from such construction occurring because of this construction. This release applies to facts arising up to and including the effective date of this agreement and shall also include facts arising after the effective date of this agreement in relation to the construction of the road ditches, installation of culverts and for the delivery, or lack of delivery, of water through such construction, and traffic upon the road or roads upon construction.

The above releases and agreements apply only to the activities, construction, possible future liabilities related only to facilities anticipated to be constructed by KDD

RET: RICHARD FAIRCLO 280 MAIN ST

KLAMATH FALLS OR 97601

described herein and in Exhibit "A", and shall not apply to other unrelated activities or actions of the parties, nor to other facilities.

The obligations of M & B herein shall run with the land and be binding upon future owners of land presently owned by M & B. This agreement shall be recorded in the deed records of Klamath County, Oregon.

This agreement is binding not only upon the parties hereto but upon their respective assigns, agents, personal representatives and successors in interest.

The effective date of this agreement is July 8, 1999.

Klamarh Drainage District, by:

President

Secretary

M & B Cattle Company, by:

Bert Elworthy - Owner

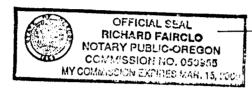
Sheila Elworthy - Owner

Baley & Trotman, by:

Loni Baley - Owner

STATE OF OREGON	}
	} Ss
County of Klamath	}

Sam Henzel and Mary Cheyne of Klamath Drainage District acknowledged the foregoing instrument before me this 20 day of September 1999, and they represent that they are the President and Secretary of such District and that the execution of this document is the voluntary act of such District.



Notary Public for Oregon My Commission expires:

STATE OF OREGON }
Ss.
County of Klamath }

Loni Baley of Baley – Trotman Farms of Malin, Oregon acknowledged the foregoing instrument before me this <u>30</u> day of September, 1999, and he represents that he is an owner of such Partnership and that the execution of this document is the voluntary act of such Partnership.

OFFICIAL SEAL
LOIS ELADOUF
NOTABY PUBLIC-CAEGON
COMMISSION NO. 3 13404
NOGOLASSION EXPIRES AUG. 3, 2002

Notary Public for Oregon My Commission expires:

STATE OF CALIFORNIA } Ss.
County of Contra Costa }

Sheila Elworthy of M & B Cattle Company guarantees the foregoing instrument before me this _____day of September, 1999, and she represents that she is an owner of such Partnership and that the execution of this document is the voluntary act of such Partnership.

Notary Public for California My Commission expires:

State of California County of Centra Cesta On Setember 11, 1999, before me. Destrict of Officer te personally appeared DENNIS E TESSLER Commission # 1202858 Notary Public - California & Contro Costo County My Corm. Extres Jan 22, 2003 Though the information below is not required by law, it may prove valuable to pend could prevent fraudulent removal and reattechment of this form: Description of Attached Document. Title or Type of Document: 1999 Ditach Agreement Document Date: July 8, 1999 Number Signer's Name: Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other: Signer Is Representing: CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT Description of the basis of satisfactory) whose name(s) is/are within instrument and that he/she/they executed its/her/their authorized that by his/her/their strument the person(s), or lif of which the person(s) nstrument. Ind official seal. | Solution | Solut On September 17, 199, before me, Dennis E Tessler Notary Public, Name and Title of Officer (e.g., "Jane Doe, Notary Public") personally appeared Sheila Rachael Elwarthy Name(x) of Signer(x) personally known to me Deproved to me on the basis of satisfactory to be the person(\$) whose name(\$) is/aresubscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS my hand and official seal. Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document. Title or Type of Document: 1999 Di7ch Agreement Document Date: July 8, 1999 Number of Pages: 3 Signer's Name: y an anatonatana na natana na natana na natana na natana na natana na natana natana natana na natana natana na

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State of Oregon, County of Klamath Recorded 1/26/00, at 10:46 A m. Linda Smith, Fee\$_36.00 County Clerk