ENCROACHMENT PERMIT

The City of Klamath Falls, Oregon, a municipal corporation (City) and Sherm's Thunderbird Market, Inc., (Grantee) for and in consideration of the covenants and conditions hereinafter set forth, agree as follows:

City hereby gives and grants to Grantee, its successors and assigns, upon the terms and subject to the conditions hereinafter set forth, perpetual, nonexclusive permission to encroach upon a portion of the West side of the Austin Street right-of-way, south of Shasta Way, in the City of Klamath Falls at the easterly boundary of the NE1/4, NW1/4, Section 3, T39S,, R9E, W.M., Klamath County, Oregon (as shown on the attached map Exhibit "A"). This permit is granted for the limited purpose of maintaining an existing retaining wall. Grantee may not increase the size of said retaining wall unless Grantee applies for, and receives an additional encroachment permit from City.

Grantee agrees to pay to the City, as compensation for the privileges herein granted, the sum of Two Thousand Dollars (\$2,000), receipt of which is hereby acknowledged by City. City agrees to apply such sum toward the future purchase and installation of a traffic signal at the intersection of Shasta Way and Avalon Streets, or some other intersection near Grantee as determined necessary and appropriate by the Public Works Department of City.

Grantee shall save and hold harmless the City from, and indemnify the City against, any and all liability for or on account of any death or injury to persons, or damage to property incurred in any manner whatsoever arising out of Grantee's use/encroachment, or the public's loss of the privileges herein granted.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be

executed this 28TH day of JULY , 2000. SHERM'S THUNDERBIRD MARKET, INC. CITY OF KLAMATH FALLS STATE OF OREGON COUNTY OF KLAMATH } On the 4 day of the da 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. OFFICIAL SEAL PAT HARRIS BEFORE ME: NOTARY PUBLIC - OREGON COMMISSION NO. 327370 MY COMMISSION EXPIRES SEPT. 21, 2003 STATE OF OREGON JACKSON On the <u>28TH</u> day of 2000, personally appeared **WANDA OLSRUD** **SHERM OLSRUD** and President and Secretary, respectively, of Sherm's Thunderbird Market, Inc., and acknowledged said instrument to be its voluntary act and deed. BEFORE ME: PAT WELS Notary Public for OREGON My Commission Expires: 01-13-04

AFTER RECORDING RETURN TO: City Recorder 500 Klamath Avenue Klamath Falls, OR 97601



SKETCH OF RETAINING WALL ENCROACHMENT SHERMS THUNDERBIRD MARKET - KLAMATH FALLS SURVEYED I-II-00

29948

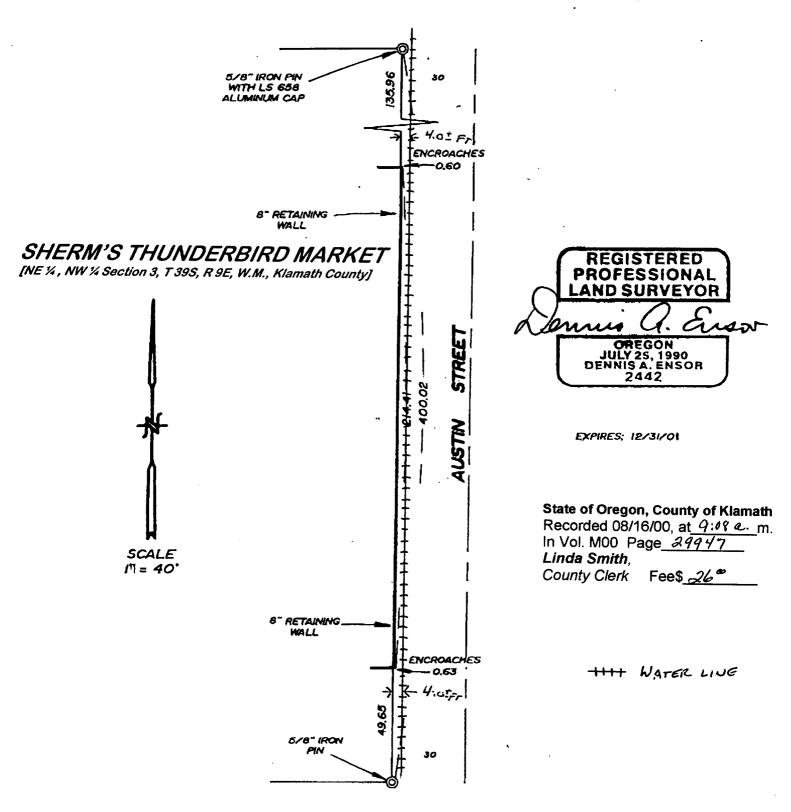


Exhibit "A"

TRU-LINE SURVEYING, INC. 2333 SUMMERS LANE KLAMATH FALLS, OREGON 97603