

After recording, return **COPY TO,**

J. Wallace Gutzler
Sunwest Management, Inc.
2735 12th Street S.E.
Salem, OR 97302

Until a change is requested, all tax statements shall be sent to the following address:

Same

PP&L WO# 01553834

GRANT OF EASEMENT FOR UTILITIES

For valuable consideration, **Harder Development II, LLC**, an Oregon limited liability company, dba Pelican Pointe Assisted Living and Specialty Care Community, ("Grantor") hereby grants to **Pacificorp**, an Oregon corporation, dba Pacific Power & Light Company, ^{OC} ("Grantee") an easement on the property described in Exhibit A (the "Property"), attached hereto and made a part hereof.

1. Purpose of Easement. The easement granted by Grantor is for the right of Grantee to locate, operate and maintain utilities including water and electrical power lines on the Property.
2. Exclusiveness of Easement. The easement granted herein is exclusive, except that Grantor may use the ground surface area of the easement for purposes not inconsistent with Grantee's uses.
3. Maintenance of Easement. The maintenance of any improvements, including the repair or placement thereof incident to the easement granted herein, shall be the responsibility of Grantee or Grantee's successors in ownership and shall be at no cost to Grantor or Grantor's successors in ownership.
4. Indemnification. Grantee and Grantee's successors in interest in ownership shall indemnify, protect, defend and hold harmless Grantor and Grantor's successors in interest in ownership from any and all loss or liability, including reasonable attorney fees, for property damage or personal injury arising out of the construction, installation, operation, use or maintenance of the easement granted herein.
5. Covenants Running with the Land. Grantee, by acceptance of this easement, shall be deemed to have covenanted to carry out the obligations herein and such obligations shall be deemed covenants running with the Property.
6. Binding Effect. This instrument shall be binding on and shall inure to the benefit of the successors in interest in Grantor and Grantee as to their respective ownership interests in the Property.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THE INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

DATED on the 8th day of May, 2000.

GRANTOR:

HARDER DEVELOPMENT II, LLC, an Oregon
limited liability company

By: Jon M. Harder

Jon M. Harder, Sole Member

STATE OF OREGON)
) ss.
County of Marion)

This instrument was acknowledged before me on May 4/8, 2000, by Jon M. Harder as the sole Member of Harder Development II, LLC.

Before me:

Peggy Owsley
NOTARY PUBLIC FOR OREGON

My Commission Expires: 8/5/2003

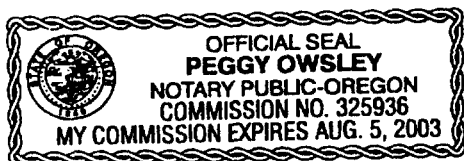


EXHIBIT A

A strip of land located in the SW1/4 of NW1/4 Section 34, T.38S, R. 9E, W.M., Klamath County, Oregon for the purpose of location, operation and maintenance of utilities including water lines and electrical power lines and appurtenances, said strip of land being more particularly described as follows:

Commencing at a 1/2" iron pin on the East right-of-way line of Washburn Way marking the Southwest corner of the Pelican Pointe Assisted Living and Specialty Care property from which the West 1/4 corner of Section 34, T.38S., R. 9E, W.M. bears N89°33'03"W 30.00 feet and S00°20'00"W 617.17 feet; thence along the East right-of-way line of Washburn Way N00°20'00"E 18.00 feet to the true point of beginning for this easement description; thence N00°20'00"E 15.00 feet; thence S89°33'03"E 173.00 feet, thence N00°20'00"E 22.00 feet, thence S89°33'03"E 24.00 feet, thence S00°20'00"W 22.00 feet; thence S89°33'03"E 149.00 feet, thence N00°20'00"E 64.00 feet, thence S89°33'03"E 15.00 feet, thence S00°20'00"W 79.00 feet, thence N89°33'03"W 60 feet; thence S00°20'00"W 18 feet to south property line; thence N89°33'03"W 15 feet; thence N00°20'00"E 18 feet; thence N89°33'03"W 286 feet to the true point of beginning, with bearing based on Record of Survey No 1217.