

IRRIGATION CONTRACT TO
SUSPEND FROM KLAMATH BASIN IMPROVEMENT DISTRICT
AND RELEASE OF WATER RIGHTS

'01 MAY 29 PM 12:40

This agreement is by and between KLAMATH BASIN IMPROVEMENT DISTRICT, referred to herein as KBID and the State of Oregon, by and through its Oregon Department of Transportation, referred to herein as Owner.

WHEREAS:

Owner owns land more particularly described in Exhibit "A" attached hereto, in Klamath County, Oregon, referred to as Klamath County Tax Lots: Tract 1: 3909 09CO 00600, Tract 2: 3909 3000 00200.

Owner or Owner's predecessors in interest agreed to be included within the KBID for the purposes of receiving services, including delivery of water pursuant to the contracts that KBID has with the United States of America by and through the Bureau of Reclamation, Klamath Irrigation District and other districts located within the Klamath Project. KBID is obligated by contract to the following district or districts, hereinafter referred to as Delivery Districts, regarding water delivery to Owner's land: None.

Owner no longer desires to receive water deliveries and pay the costs thereof.

IT IS THEREFORE AGREED:

CONDITIONS

This agreement is conditioned upon Delivery Districts forgiving payments owed by KBID associated with such real property by reason of contractual obligation between KBID and Delivery Districts. It is agreed that KBID will cooperate with Owner as Owner makes such requests upon Delivery Districts.

This agreement is further conditioned upon all construction charges owed to the United States, acting by and through the Bureau of Reclamation have been paid in full.

A further condition of this agreement is approval of this agreement, and approval of resolution exempting the subject real property from assessments, by the Board of Directors of KBID.

KBID agrees as follows:

1. Upon proper execution of this agreement by all parties, including Delivery Districts, Mortgage and lienholders, and Owner, and upon conditions to this agreement being met, KBID releases Owner from KBID assessments, lien, collection and foreclosure rights KBID has under Oregon law.

OWNER agrees and represents as follows:

1. Owner are the sole owners and holders of the fee simple title to the subject real property, and have good right and title to enter into this agreement.
2. Owner hereby relinquishes, waives and releases all rights of membership and by virtue of being included in the boundaries of KBID, including waiving the right to vote, and receive irrigation water.
3. Owner understands that by entering into this agreement and Owner's failure to apply irrigation water by virtue of rights under KBID and the Klamath Project, Bureau of Reclamation, that Owner may be waiving and forfeiting water rights, including claims to water rights under the laws of the State of Oregon. Owner assigns, transfers and quitclaims to KBID all water rights, if any, appurtenant to the subject real property. To the extent permitted by law, Owner agrees to cooperate with KBID for the purposes of transferring water rights and for exclusion of lands from KBID.
4. Owner hereby releases KBID from all claims of liability and for any damages to person or property pertaining to KBID's operations on Owner's property described in Exhibit A.
5. KBID makes no representations about the possibility of allowing the real property to be included in KBID water deliveries in the future. Owner understands and agrees that should Owner request inclusion into KBID in the future and such inclusion can be allowed, then Owner shall be required to pay all assessments that have been exempted herein, plus interest which would have been chargeable for nonpayment of such assessments if they had not been exempted herein, plus other conditions or assessments as then determined by the Board of Directors of KBID.
6. The restrictions, grants and agreements contained herein shall run with subject real property and shall bind all future owners thereof in perpetuity.

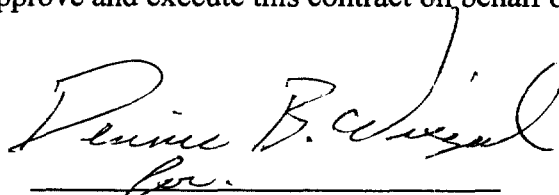
OWNER and KBID agree as follows:

1. This agreement is binding upon the heirs, successors and assigns of the respective parties.

This agreement is executed the 20th day of April, 2001.

The Technical Services Manager, acting under delegated authority from the Oregon Transportation Commission and The Director and Executive Deputy Director/Chief Engineer, authorized the Right of Way Manager to approve and execute this contract on behalf of the Commission.

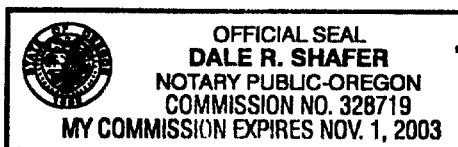
OWNER:
State of Oregon by and through
Oregon Department of Transportation



Dee Jones
Right of Way Manager

STATE OF OREGON)
)ss.
 County of Marion)

The foregoing instrument was acknowledged before me this 20th day of April, 2001, by Dennis Wiegand



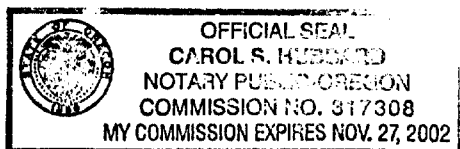
Dale R. Shafer
 Notary Public for Oregon
 My Commission expires: 11/01/2003

KLAMATH BASIN IMPROVEMENT DISTRICT, by:

Tom DeSone Cindy E. Cherry

STATE OF OREGON)
)ss.
 County of Klamath)

On this 24th day of MAY, 2001, personally appeared Tom DeSone and CINDY E. CHERRY, who, being duly sworn, each for himself and not one for the other, did say that the former is the President and that latter is the secretary of Klamath Basin Improvement District and that said instrument was signed and sealed in behalf of said district by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. Before me:



Carol S. Hubbard
 Notary Public for Oregon
 My Commission expires: 11-27-02

After recording return to: Klamath Basin Improvement District 6640 KID Lane, Klamath Falls, Oregon, 97603

STATE OF OREGON)
)ss.
 County of Klamath)

Filed for record at request of _____ the _____ day of _____ A.D., 20____ at _____ o'clock ____ M., and duly recorded in Vol. _____, of _____ on Page _____.

FEE \$ _____

County Clerk

By _____

GEN81472

Klamath Basin Improvement District
Property Tract Descriptions

Tract 1:

KBID Map No.: 3909 09CO 0060X
Klamath Co. Tax Lot No.: 3909 09CO 00600
Acres of land to be excluded: 12.89
Acres of water being assessed: 12.89

Tract 1 consists of all the land within the right of way boundaries of the Klamath Falls Southside Bypass from its junction with a common junction of The Dalles-California Highway, State Primary Highway No. 4 and the Green Springs Highway No. 21; thence easterly to a junction with the Klamath Falls-Malin Highway, State Primary Highway No. 50, a distance of approximately 5.9 miles.

The land identified by Klamath County and the Klamath Basin Improvement District (KBID) as Tract 1 consists of land owned by the State of Oregon, by and through its Department of Transportation (ODOT) and is identified by ODOT as consisting of ODOT Right of Way file numbers: R-52177 and R-53859. Each Right of Way file consists of two parcels of land as described in the Stipulated Final Judgment filed in the Circuit Court of the State of Oregon for Klamath County, Case No. 85-750CV and dated June 5, 1987, and is set forth more particularly below.

**The two parcels of land identified in ODOT Right of Way
File No. R-52177 and the two parcels of land identified
in ODOT Right of Way File No. R-53895 comprising
Tract 1 are described more particularly as follows:**

ODOT Right of Way File No. R-52177, Parcel 1:

A parcel of land lying in the SW ¼ of Section 9 and the N½ of Section 16, Township 39 South, Range 9 East, W.M., Klamath County, Oregon; the said parcel being that portion of said subdivisions lying Southeasterly of Manzanita Way and included in a strip of land variable in width, lying on each side of the center line of the South Side Bypass (County Road) which center line is described as follows:

Beginning at Engineer's center line Station "L5" 165+00, said station being 1588.95 feet North and 1499.18 feet East of the Southwest corner of Section 9, Township 39 South, Range 9 East, W.M.; thence South 48° 56' 30" East 561.96 feet; thence on a spiral curve right (the long chord of which bears South 45° 36' 30" East 499.32 feet) 500 feet; thence on a 1432.39 foot radius curve right (the

long chord of which bears South 23° 48' 45" East 747.70 feet) 756.46 feet; thence on a spiral curve right (the long chord of which bears South 2° 01' East 499.32 feet) 500 feet to Engineer's center line Station "L5" 188+18.42 Back equals 186+46.18 Ahead; thence South 1° 19' West 162.73 feet; thence on a spiral curve left (the long chord of which bears South 1° 36' East 499.48 feet) 500 feet; thence on a 1637.02 foot radius curve left (the long chord of which bears South 15° 41' East 469.80 feet) 471.43 feet; thence on a spiral curve left (the long chord of which bears South 29° 46' East 499.48 feet) 500 feet; thence South 32° 41' East 1219.66 feet to Engineer's center line Station 215+00.

The widths in feet of the strip of land above referred to are as follows:

Station	to	Station	Width on Westerly side of Center Line	Width on Easterly side of Center
Line				
"L5" 168+80		"L5" 170+61.96	90	100 in a straight line to 75
"L5" 170+61.96		"L5" 171+80	90 in a straight line to 50	75
"L5" 171+80		"L5" 175+61.96	50 in a straight line to 100	75 in a straight line to
	160			
"L5" 175+61.96		"L5" 181+00	100	160
"L5" 181+00		"L5" 183+18.42	100	160 in a straight line to
	100			
"L5" 183+18.42		"L5" 185+50	100 in a straight line to 70	100 in a straight line to 70
"L5" 185+50		210+00	70	70
210+00		211+00	70 in a straight line to 85	70
211+00		215+00	85	70

Bearings are based upon the Oregon Co-Ordinate System, South Zone.

The parcel of land to which this description applies contains 14.5 acres, more or less, outside of the existing right of way.

A parcel of land lying in the S½ of Section 9, Township 39 South, Range 9 East, W.M., Klamath County, Oregon; the said parcel being described as follows:

Beginning on the Southwesterly line of Parcel 1 at a point 25 feet Southeasterly of the Easterly line of Manzanita Way; thence Northwesterly along said Southwesterly line 25 feet to said Easterly line; thence Southerly along said Easterly line 170 feet; thence Northeasterly in a straight line to the point of beginning.

The parcel of land to which this description applies contains 0.03 acre, more or less, outside of the existing right of way.

ODOT Right of Way File No. R-53859, Parcel 1:

A parcel of land lying in the SW¼SE¼ of Section 9, Township 39 South, Range 9 East, W.M., Klamath County, Oregon; the said parcel being that portion of said SW¼SE¼ included in a strip of land variable in width, lying on the Easterly side of the center line of the South Side Bypass (County Road) which center line is described as follows:

Beginning at Engineer's center line Station "L5" 165+00, said station being 1588.95 feet North and 1499.18 feet East of the Southwest corner of Section 9, Township 39 South, Range 9 East, W.M.; thence South 48° 56' 30" East 561.96 feet; thence on a spiral curve right (the long chord of which bears South 45° 36' 30" East 499.32 feet) 500 feet; thence on a 1432.39 foot radius curve right (the long chord of which bears South 23° 48' 45" East 747.70 feet) 756.46 feet; thence on a spiral curve right (the long chord of which bears South 2° 01' East 499.32 feet) 500 feet to Engineer's center line Station "L5" 188+18.42 Back equals 186+46.18 Ahead; thence South 1° 19' West 162.73 feet; thence on a spiral curve left (the long chord of which bears South 1° 36' East 499.48 feet) 500 feet; thence on a 1637.02 foot radius curve left (the long chord of which bears South 15° 41' East 469.80 feet) 471.43 feet; thence on a spiral curve left (the long chord of which bears South 29° 46' East 499.48 feet) 500 feet; thence South 32° 41' East 1219.66 feet to Engineer's center line Station 215+00.

The widths in feet of the strip of land above referred to are as follows:

Station Line	to	Station	Width on Easterly Side of Center
"L5"175+61.96		"L5" 181+00	160
"L5"181+00		"L5"183+18.42	160 in a straight line to 100
"L5"183+18.42		"L5"185+50	100 in a straight line to 70
"L5"185+50		"L5"188+18.42	70

Bearings are based upon the Oregon OC-Ordinate System, South Zone.
The parcel of land to which this description applies contains 0.49 acre, more or less, outside of the existing right of way.

ODOT Right of Way File No. R-53859, Parcel 2:

A parcel of land lying in the SW¼SE¼ of Section 9, Township 39 South, Range 9 East, W.M., Klamath County, Oregon; the said parcel being described as follows:

Beginning on the Easterly line of parcel 1 at the intersection of said Easterly line with the Southerly line of said Section 9; thence Northeasterly in a straight line to a point opposite and 350 feet Easterly of Engineer's Station "L5" 184+00 on the center line of the South Side Bypass (County Road); thence Westerly at right angles to said center line to said Easterly line; thence Southerly along said Easterly line to the point of beginning.

The center line referred to herein is described in Parcel 1.

The parcel of land to which this description applies contains 0.41 acres, more or less.

Tract 2:

KBID Map No.: 3909 3000 0020X
Klamath Co. Tax Lot No.: 3903 3000 00200
Acres of land to be excluded: 0.34
Acres of water being assessed: 0.34

Tract 2 is described in the Warranty Deed dated October 13, 1992 and recorded in Volume M92, Page 27899 of Klamath County Record of Deeds, and is described more particularly below.

Tract 2 is described more particularly as follows:

A parcel of land lying in lots 28 and 29, MIDLAND TRACTS, Klamath County, Oregon and being a portion of that property described in that deed to Russell Smith, recorded in Book M-92, Page 4277 of Klamath County Record of Deeds; the said parcel being that portion of said property lying Northeasterly of a line at right angles to the center line of the relocated The Dalles-California Highway at Engineers Station 385+98.34 and included in a strip of land variable in width, lying on the Northwestern side of said center line which is described as follows:

Beginning at Engineer's center line Station 320+92.19, said station being 5439.35 feet North and 385.33 feet West of the Northeast corner of Section 30,

Township 39 South, Range 9 East, W.M.; thence South 4° 48' 06" West 4533.62 feet; thence on a spiral curve right (the long chord of which bears South 6° 11' 26" West 499.88 feet) 500.00 feet; thence on a 3437.75 foot radius curve right (the long chord of which bears South 21° 14' 22" West 1461.30 feet) 1472.53 feet; thence on a spiral curve right (the long chord of which bears South 36° 17' 18" 499.88 feet) 500.00 feet; thence South 37° 40' 38" West 2079.02 feet to Engineer's center line Station 411+77.36.

The widths in feet of the strip of land above referred to are as follows:

Station	to	Station	Width on Northwestern Side of Center Line
375+10		376+40	110 in a straight line to 320
376+40		379+00	100 in a straight line to 70
379+00		382+00	70 in a straight line to 70
382+00		385+98.34	70 in a straight line to 70

Bearing are based upon the Oregon Coordinate System of 1927, south zone.

The parcel of land to which this description applies contains 0.34 acres, more or less, outside of the existing right of way.

State of Oregon, County of Klamath
Recorded 05/29/01, at 12:40 p. m.
In Vol. M01 Page 24502
Linda Smith,
County Clerk Fee \$ 56⁰⁰

Rt: K BIR
KID Lane
K70 97603