

EASEMENT

06 KNOW ALL MEN BY THESE PRESENTS, that KLAMATH FALLS CENTER, LLC, an Oregon limited liability corporation, Grantor, does hereby grant, bargain, sell and convey to the CITY OF KLAMATH FALLS, OREGON (Grantee), a permanent non-exclusive easement for the purpose of installing, inspecting, repairing, maintaining, altering and operating Grantee's municipal water line(s) and all necessary appurtenances in, into, upon, over, across and under a strip of land described and shown as follows (the "Easement Area"):

SEE EXHIBIT A ATTACHED HERETO.

The Easement Area lies within the real property owned by Grantor that is legally described as follows (the "Property"):

Parcels 2 and 3 of Land Partition 42-01, recorded in the office of the Clerk of Klamath County, Oregon.

Together with the right of ingress and egress over Grantor's adjoining lands for the purposes of Grantee's enjoyment of this easement.

Grantor shall not erect any buildings or structures within the easement area that would inhibit access to Grantee's said utility line(s) or cause damage to it. Grantor retains the right to utilize the Easement Area for asphalt concrete roadways, driveways, parking lot (Portland cement concrete is prohibited except for curb and gutters) and/or landscaping, except for trees that would interfere with the water line(s). Although this Easement is non-exclusive, Grantor agrees that any other use of the Easement Area or the ingress/egress area permitted by Grantor shall not interfere with Grantee's use of those areas as authorized herein.

IN CONSIDERATION OF THIS GRANT OF EASEMENT, Grantee agrees to the following:

1. Indemnification by Grantee. Grantee shall indemnify, defend and hold Grantor harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings asserted by third parties against Grantor and Grantor's heirs, successors and assigns (including attorneys' fees, costs and expenses) that arise from or out of the Grantee's use of the Easement Area or the Property at any time.

2. Notice Prior to Entry. This easement shall include the perpetual right to enter upon the Property at any necessary time (after 24 hour prior written notice, except in the event of an emergency, so long as Grantee uses its best efforts to coordinate such access with Grantor so as not to interfere with Grantor's ongoing business).

106666.0146/944834.4

State of Oregon, County of Klamath
Recorded 12/02/2002 2:35 p. m.
Vol M02, Pg 69737-39
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

3. **Restoration of Property.** Upon the completion of Grantee's installation of the utility line, or upon completion of Grantee's ongoing maintenance or inspection of the utility line that is installed in the Easement Area, Grantee shall restore the Easement Area and the Property to the same condition as existed prior to Grantee's entry into the Easement Area or onto the Property.

This document shall be binding upon all subsequent purchasers of the Property, the Grantee, and the heirs, successors and assigns, of both.

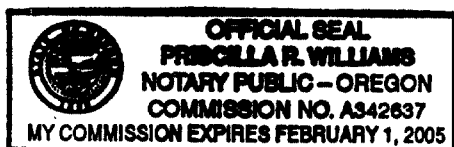
IN WITNESS WHEREOF, I/we have hereunto set our hands this 18th day of November, 2002.

**KLAMATH FALLS CENTER, LLC, an Oregon
limited liability company**

By: [Signature]
Name: SAMUEL L. GRESSETT
Its: Member

STATE OF OREGON)
) ss.
COUNTY OF TJACKSON)

On November 18, 2002, before me, Priscilla R. Williams, a Notary Public in and for said state, personally appeared SAMUEL L. GRESSETT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



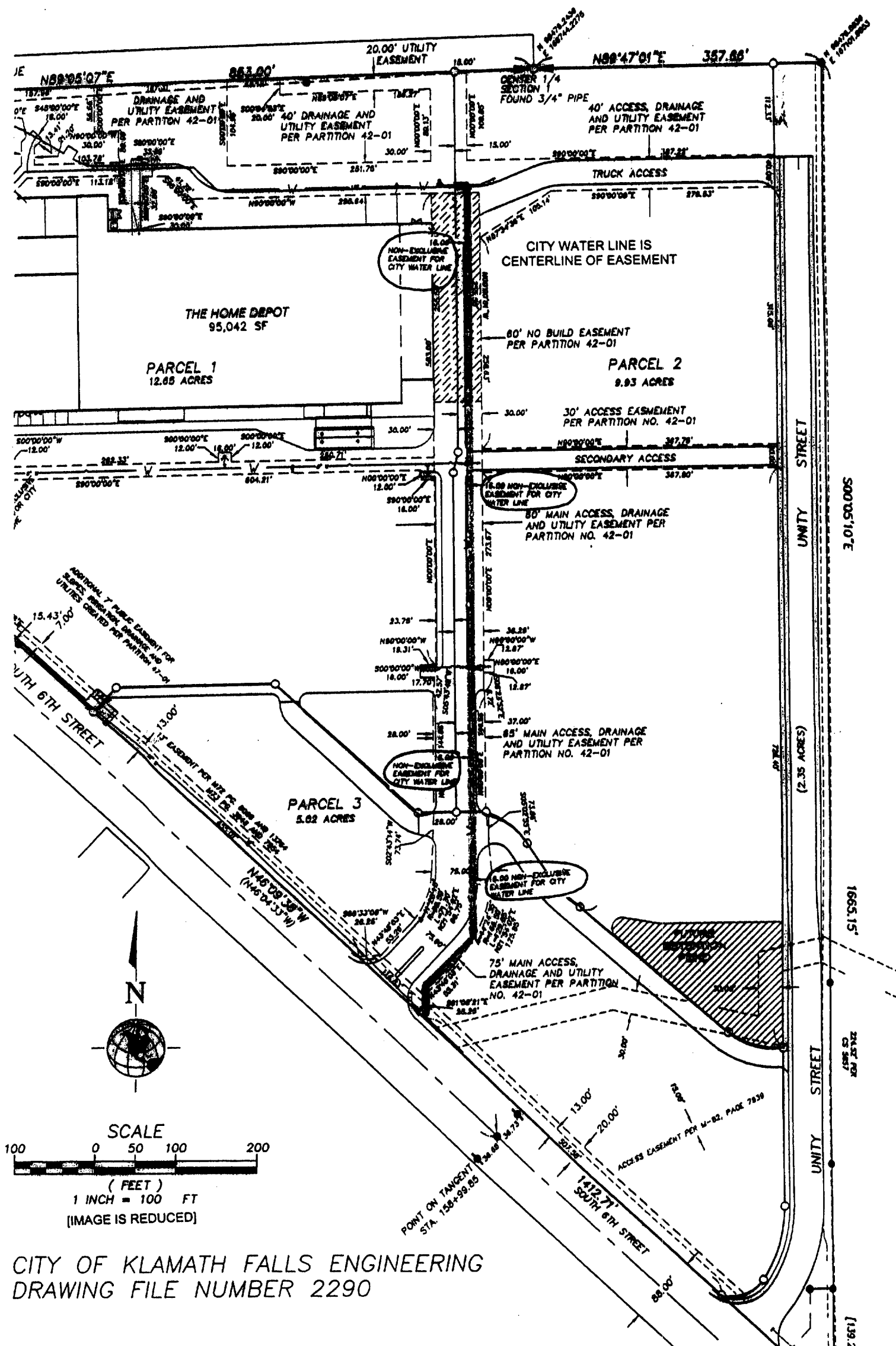
WITNESS my hand and official seal.

[Signature]

SIGNATURE OF NOTARY PUBLIC

Notary Public for Oregon

My Commission Expires: Feb. 1, 2005



LOCATED IN THE SOUTH ONE-HALF OF THE NORTHWEST ONE-QUARTER,
THE SOUTHWEST ONE-QUARTER AND THE SOUTHEAST ONE-QUARTER OF
SECTION 1, TOWNSHIP 30 SOUTH, RANGE 9 EAST OF THE
WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON
JULY 2002