

After Recording, Return to:

William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

State of Oregon, County of Klamath
Recorded 01/30/2003 3:35 p.m.
Vol M03 Pg 05899-05907
Linda Smith, County Clerk
Fee \$ 61.00 # of Pgs 9

MTC 59224-KR

EASEMENT

THIS EASEMENT is made as of the 6th day of December 2002, by and between Leonard R. Putnam and Mary Jean Putnam, herein called "Owners," and Putnam & Sons, LLC., an Oregon Limited Liability Company, herein called "Putnam, LLC."

RECITALS:

A. Owners own certain real property in Klamath County, Oregon more particularly described on Exhibit A attached hereto and more commonly known as "the pig farm."

B. Located on Owners' property is a pump, pump house, electrical box, power lines, and a pipeline, which currently delivers fire suppression water to the land owned by Putnam, LLC., which is described on Exhibit B attached hereto. The location of the pump, pump house, electrical box, power lines, and pipeline are described on Exhibit C attached hereto.

C. Owners desire to grant to Putnam, LLC. an Easement for the operation, maintenance, and replacement of said pump, pump house, pipeline, and appurtenant facilities, and to reserve to Owners, their successors and assigns, the right to also use said facilities for fire suppression purposes on Owners' land described on Exhibit A attached hereto.

D. Attached hereto is a true copy of the Certificate of Water Right for the operation of said pump and pipeline granted by the State of Oregon to Owners.

The parties, therefore, agree as follows:

Section 1. Grant of Easement. Owners do hereby grant and convey to Putnam, LLC. a permanent, non-exclusive easement for the use, maintenance, operation, repair, and replacement of the pump, pump house, electrical system, pipeline, and other facilities appurtenant thereto, which currently supply fire suppression water to Putnam, LLC.'s improvements located on the land described on Exhibit B. The Easement granted hereby shall be appurtenant to and for the benefit of the real property described on Exhibit B.

Section 2. Reservation of Easement for the Benefit of Owners. Owners reserve for the benefit of the land described on Exhibit A and Owners' successors and assigns, a right to use the facilities located on the land described on Exhibit C, including the right to expand the said fire suppression facilities, and extend the lines and use the water provided by said facilities on the land described on Exhibit A. Each party to this Easement acknowledges and agrees that they hold their land for development purposes and intend to divide, subdivide, and improve the property. This Easement shall be for the benefit of and appurtenant to each partition and subdivision of the lands of the parties hereto. No parties' rights hereunder shall lapse in the event of that parties' failure to use the Easement granted hereby on a continuous basis.

Section 3. Construction of Improvements. Any of the parties hereto, at any time, may construct, reconstruct, and improve the facilities, including the utilities and services reasonably required for the proper operation of the facilities, for the purpose of providing fire suppression water to each party's said land. However, no party to this Easement shall be obligated to join in such development and shall not be liable for the costs of any such development, unless the development is made for the specific benefit of that party's land.

Section 4. Expansion of Water Right. The Water Right Certificate granted for the subject fire suppression system does not specifically show the building owned by Putnam, LLC. and served by the system. However, the legal description on the Certificate for the land benefitted by the Certificate appears to include the land owned by Putnam, LLC. If, at some time in the future, the Department of Water Resources requires an amendment of the Certificate or other action to specifically include the improvements on Putnam, LLC.'s land, then Putnam, LLC., at its sole cost, shall take whatever action the Department of Water Resources reasonably requires. Owners agree to support any application for amendment of the Certificate by Putnam, LLC. to carry out the purpose of this Easement.

Section 5. Maintenance and Repairs. The cost of periodic maintenance and necessary repairs to the facilities located on the land described on Exhibit C shall be borne entirely by Putnam, LLC., until such time as the Owners, their successors or assigns, begin to use said fire suppression facilities for the benefit of the land described on Exhibit A. At such time as both parties are using the facilities and receiving the benefit of the facilities, then, thereafter, the cost of operating and repairing the facilities shall be shared proportionately by the parties. Each party's proportionate share of the cost of the operation and maintenance shall be computed by using the square footage of the buildings to which the facilities provide fire suppression water.

Section 6. Property Taxes, Assessments, and Other Charges. Until such time as the Owners begins to use the fire suppression facilities, Putnam, LLC. shall pay promptly and before the same become delinquent, any real property taxes and assessments levied against the improvements on the Easement and any real property taxes levied against the Easement. In addition, Putnam, LLC. shall pay, promptly, for all utilities and other charges incurred for the use and operation of the fire suppression facilities. At such time as Owners begin using the facilities for the benefit of improvements on their land, then the taxes, assessments, utilities, and other charges shall be paid proportionately by the parties, as provided under Maintenance and Repairs, above.

Section 7. Open Use. No party shall unreasonably curtail or impede the use of the fire suppression facilities and easements granted hereby. No party shall disconnect the fire suppression system or otherwise prevent water from flowing through the fire suppression system to the property of the other, except for instances where a party has failed to properly maintain and operate the fire suppression system, and the party's failure to properly maintain and operate the system is impairing the use of the system and, thereby, jeopardizing the property of the other party.

Section 8. Specific Performance. In the event any party shall fail to perform its obligations under this Easement or to promptly pay its proportionate share of the reasonable costs, expenses, fees, and taxes incurred in operating and maintaining the facilities, then the other party shall be entitled to require such performance by suit for specific performance and, where appropriate, through injunction relief. Such remedies shall be in addition to any other remedies afforded under Oregon law.

Section 9. Court Costs and Attorney's Fees. In the event of any litigation arising under this Easement, the prevailing party shall recover from the losing party the prevailing party's reasonable attorney's fees at trial or on appeal, the prevailing party's reasonable expert witness fees, and all other

costs incurred in prosecuting said action or suit.

05901

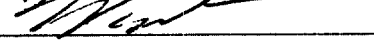
Section 10. Covenants Run With the Land. The Easement granted and reserved hereunder shall run with the land as to all property burdened and benefitted by the Easement, including any division or partition of such property. The rights, covenants, and obligations contained in this Easement shall bind, burden, and benefit each party's successors and assigns, lessees, and mortgagees.

IN WITNESS WHEREOF, the parties have executed this Easement as of the date first set forth above.

Leonard R. Putnam

Mary Jean Putnam

PUTNAM & SONS, LLC.

By: 
Tom Putnam, Operating Manager

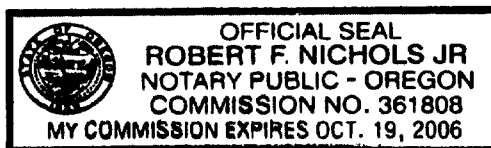
STATE OF OREGON, County of Klamath) ss.

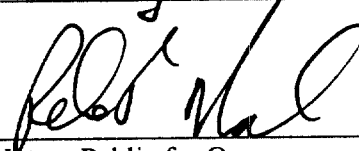
This instrument was acknowledged before me on _____, 2002 by Leonard R. Putnam and Mary Jean Putnam.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on January 3, ²⁰⁰³2002 by Tom Putnam as Operating Manager of Putnam & Sons, LLC.




Notary Public for Oregon
My Commission Expires: _____

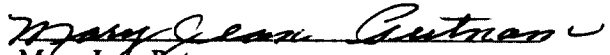
costs incurred in prosecuting said action or suit.

05902

Section 10. Covenants Run With the Land. The Easement granted and reserved hereunder shall run with the land as to all property burdened and benefitted by the Easement, including any division or partition of such property. The rights, covenants, and obligations contained in this Easement shall bind, burden, and benefit each party's successors and assigns, lessees, and mortgagees.

IN WITNESS WHEREOF, the parties have executed this Easement as of the date first set forth above.


Leonard R. Putnam

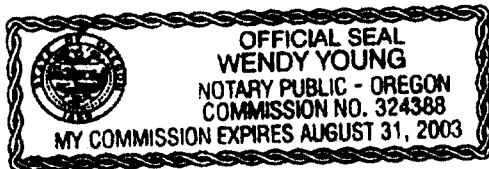

Mary Jean Putnam


PUTNAM & SONS, LLC.

By: _____
Tom Putnam, Operating Manager

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on December 23, 2002 by Leonard R. Putnam and Mary Jean Putnam.




Notary Public for Oregon
My Commission Expires: 8-31-2003

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on _____, 2002 by Tom Putnam as Operating Manager of Putnam & Sons, LLC.

Notary Public for Oregon
My Commission Expires: _____

05903

Parcel 1 of Land Partition 40-95 filed September 27, 1995 Klamath County Oregon, being parcel 2 of Minor Land Partition 40-88 situated in the N ½ NW ¼ of Section 17 and the SE ¼ SW ¼ of Section 8 Township 39 south Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon,

Account No.: 3909-00800-01200-000

Account No.: 3909-01700-00200-000

Putnam and Son, LLC

A tract of land situated in Government Lots 1 and 11 of Section 17 and in Government Lots 3, 4, 13, and 14 of Section 8, all in Township 39 South Range 9, EWM, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the southeasterly right-of-way line of the Burlington Northern Railroad (20.00 feet left of centerline) at the terminus of the centerline of Memorial Drive from which the Southwest corner of said Section 8 bears South 77 degrees 25'28" West 1899.07 feet; thence South 23 degrees 12'16" East 115.07 feet to a ½ inch iron pin with Tru-Line Surveying plastic cap; thence South 20 degrees 54'50" East 280.65 feet to a + on the Northerly steel post of a fire hydrant barrier; thence South 28 degrees 59'20" East 492.50 feet to a 5/8 inch iron pin with Tru-Line Surveying plastic cap; thence continuing South 28 degrees 59'20" East 10 feet, more or less, to the Southerly line of said Government Lot 11, Klamath River; thence Northeasterly along said Government Lot lines of Government Lots 11, 14 and 13 to the Northeast corner of that tract of land described in Deed Volume M84 pages 15,892 and 15,893 of the Klamath County Deed records; thence North 61 degrees 19'12" West along said north line, 10 feet, more or less, to a 5/8 inch iron pin with Tru-Line Surveying plastic cap; thence continuing North 61 degrees 19'12" West 207.40 feet to a 5/8 inch iron pin with Tru-Line Surveying plastic cap marking the Northwest corner of said tract; thence Southerly along the west line of said tract, to a point 25.00 feet left of point of headblock No. 9 Turnout at Engineers Sta. 81 + 84.3, said point bears South 33 degrees 42'20" West 134.82 feet from said Northwest corner; thence along the Southeasterly right-of-way line of said railroad South 28 degrees 40'48" West 815.60 feet, to a point 25.00 feet left of Engineers Sta. 90 + 00, North 61 degrees 19'12" West 5.00 feet, to a point 20.00 feet left of said Sta., South 28 degrees 40'48" West 982.96 feet and along the arc of a curve to the right (radius equals 975.37 feet and central angle equals 00 degrees 27'45") 7.87 feet to the point of beginning, containing 18.6 acres, more or less, and with bearings based on Record of Survey No. 4200.

SUBJECT TO: A non exclusive easement described as follows: Beginning at the aforesaid point of beginning; thence South 23 degrees 12'16" East 115.07 feet to a ½ inch iron pin with Tru-Line Surveying plastic cap; thence North 30 degrees 27'45" East 93.63 feet to a ½ inch iron pin with Tru-Line Surveying plastic cap thence North 17 degrees 01'43" West 123.53 feet to a 5/8 inch iron pin with Tru-Line Surveying plastic cap; thence continuing North 17 degrees 0'43" West 6.98 feet to a point on the southeasterly right-of-way line of the Burlington Northern Railroad (20.00 feet left of centerline); thence along said right-of-way line South 28 degrees 40'48" West 105.71 feet and along the arc of a curve to the right (radius equals 975.37 feet and central angle equals 00 degrees 27'45") 7.87 feet to one point of beginning.

(Code 191; R782754; Map No. R-3909-01700-00203-000)
(Code 190; R820393; Map No. R-3909-00800-01201-000)

OWNERS

DENNIS ENSOR O.L.S., C.W.R.E.
SANDIE ENSOR

TRU SURVEYING, INC. LINE

2333 SUMMERS LANE
KLAMATH FALLS, OREGON 97603
PHONE: (541) 884-3691

05905

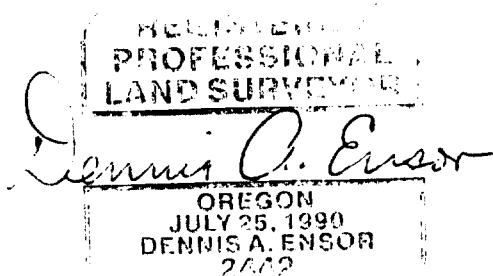
JOHN HEATON L.S.I.T.


DECEMBER 19, 2002

LEGAL DESCRIPTION
OF
EASEMENT

AN EASEMENT BEING A PORTION OF PARCEL 1 OF "LAND PARTITION 40-95", SITUATED IN THE NW1/4 OF SECTION 17, T39S, R9EWM, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF PARCEL 1 OF "LAND PARTITION 40-95" FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 17 BEARS N81°46'37"W 2223.32 FEET; THENCE S60°52'21"W 94.76 FEET; THENCE S24°36'43"E 133 FEET MORE OR LESS TO THE SOUTHERLY LINE OF GOVERNMENT LOT 11, KLAMATH RIVER; THENCE NORTHEASTERLY ALONG SAID GOVERNMENT LOT LINE TO THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE N28°59'20"W 87 FEET MORE OR LESS, TO THE POINT OF BEGINNING, WITH BEARINGS BASED ON RECORD OF SURVEY 5764 ON FILE AT THE OFFICE OF THE KLAMATH COUNTY SURVEYOR.




DENNIS A. ENSOR O.L.S. 2442

EXPIRES: 12/31/03

STATE OF OREGON
COUNTY OF KLAMATH
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

LEONARD R. PUTNAM
DBA MERGANSER INDUSTRIAL PARK
P.O. BOX 940
KLAMATH FALLS, OREGON 97601

confirms the right to use the waters of KLAMATH RIVER, a tributary of PACIFIC OCEAN, for MAINTENANCE OF A FIRE SUPPRESSION SYSTEM.

This right was perfected under Permit 42729. The date of priority is SEPTEMBER 29, 1977. This right is limited to 0.18 CUBIC FOOT PER SECOND or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

LOT 14 (NE 1/4 NW 1/4), SECTION 17, T 39 S, R 9 E, W.M.; 360 FEET SOUTH AND 340 FEET WEST FROM THE NORTH 1/4 CORNER OF SECTION 17.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

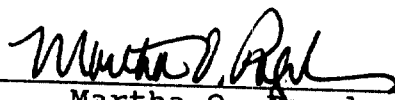
A description of the place of use to which this right is appurtenant is as follows:

LOT 4 (SE 1/4 SW 1/4)
LOT 14 (SE 1/4 SW 1/4)
SECTION 8

N 1/2 NW 1/4
SECTION 17
TOWNSHIP 39 SOUTH, RANGE 9 EAST, W.M.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described. The use confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

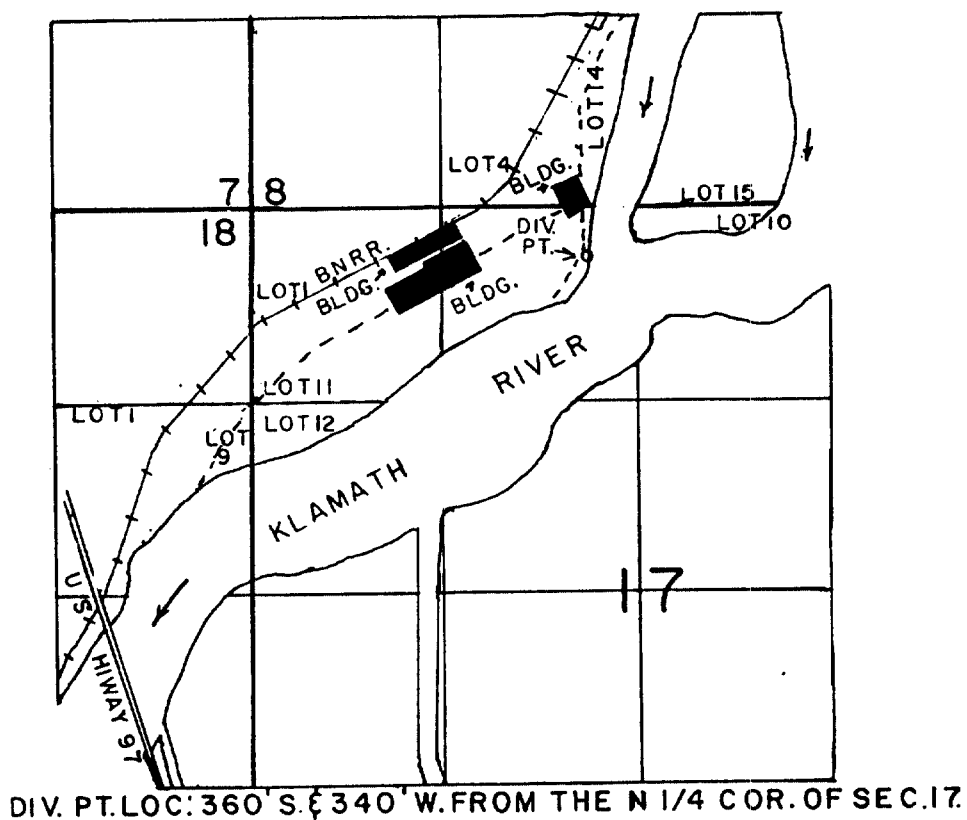
WITNESS the signature of the Water Resources Director, affixed JUNE 26, 1992.


Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 67512.

56668.BWB

T 39 S., R 9 E., W.M.



SCALE: 1" = 1320'

FINAL PROOF SURVEY

UNDER

Application No. 56668.. Permit No. 42729....
IN NAME OF

.....LEONARD R. PUTNAM.....

Surveyed FEB 1..... 1991., by DEL SPARKS....

EXHIBIT DPAGE 2 OF 2