

State of Oregon, County of Klamath
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 Linda Smith, County Clerk
 Fee \$ 51.00 # of Pgs 7

UTILITY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, That SouthView Properties, LLC, an Oregon limited liability company (hereinafter referred to as "Grantor"), does hereby grant, bargain, sale and convey to any and all necessary utility companies (hereinafter referred to as "Grantee"), a permanent non-exclusive easement for public utilities 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"):

See Exhibit B attached hereto.

Together with the rights of ingress and egress over Grantor's adjoining lands for the purpose of Grantee's enjoyment of this easement. Grantor shall not erect any buildings or structures within the Easement Area that would inhibit access to said utilities or cause damage to them. Grantor retains the right to utilize the Easement Area for any purposes that do not conflict with the utilities. 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, expenses and damages) that arise from or out of the Grantor'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 time necessary, so long as Grantee uses its best efforts to coordinate such access with Grantor so as not to interfere with Grantor's ongoing business.
3. Restoration of Property. Upon the completion of Grantee's installation of utilities, or upon completion of Grantee's ongoing maintenance or inspection of the utilities that are installed in the Easement Area, Grantee shall restore the Easement Area and the

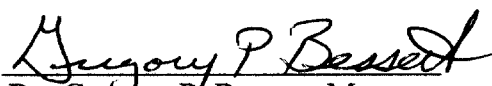
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Property to the same condition as existed prior to Grantee's entry into the Easement Area or onto the Property.

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 have hereunto set my hand the 6th day of August, 2004.


SOUTHVIEW PROPERTIES, LLC
An Oregon limited liability company


By: Gregory P. Bessert, Manager

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

On the 6th of August, 2004, before me, Sarah Wiseman a Notary Public in and for the State of Oregon, personally appeared Gregory P. Bessert, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to within this document, and acknowledged to me that he executed the same in his official capacity, and that by his signature on the document the entity upon whose behalf of which the person acted, executed this document.




Notary Public for Oregon
My commission expires: 10/16/06

EASEMENT DESCRIPTION #1

A tract of land situated in the NE ¼ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S45°10'03"E a distance of 1629.12 feet, said point being on the easterly right of way line of West Ridge Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence N06°48'11"E a distance of 79.00 feet along said exterior line of The Woodlands - Phase 1.1 to a 5/8 inch rebar; thence leaving said exterior line of The Woodlands - Phase 1.1, S83°04'34"E a distance of 20.00 feet; thence S06°48'11"W a distance of 79.00 feet; thence N83°04'34"W a distance of 20.00 feet to the point of beginning, containing 1580 square feet, more or less.

EASEMENT DESCRIPTION #2

A tract of land situated in the NE ¼ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S32°46'34"E a distance of 2189.15 feet, said point being on the easterly right of way line of West Ridge Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence N26°21'58"W a distance of 50.00 feet along said exterior line of The Woodlands - Phase 1.1; thence leaving said exterior line of The Woodlands - Phase 1.1; thence N63°38'02"E a distance of 20.00 feet; thence S26°21'58"E a distance of 50.00 feet; thence S63°38'02"W a distance of 20.00 feet to the point of beginning, containing 1000 square feet, more or less.

EASEMENT DESCRIPTION #3

A tract of land situated in the NE ¼ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S32°07'21"E a distance of 2435.63 feet, said point being on the easterly right of way line of West Ridge Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N26°21'58"W a distance of 50.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, N63°38'02"E a distance of 20.00 feet; thence S26°21'58"E a distance of 50.00 feet; thence S63°38'02"W a distance of 20.00 feet to the point of beginning, containing 1000 square feet, more or less.

EASEMENT DESCRIPTION #4

A tract of land situated in the NE ¼ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S32°33'30"E a distance of 2673.68 feet, said point being on the easterly right of way line of West Ridge Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N26°26'03"W a distance of 38.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, N63°38'02"E a distance of 20.00 feet; thence S26°26'03"E a distance of 38.00 feet to a point on said exterior line of The Woodlands - Phase 1.1; thence along said exterior line of The Woodlands - Phase 1.1, S63°38'02"W a distance of 20.00 feet to the point of beginning, containing 760 square feet, more or less.

EASEMENT DESCRIPTION #5

A tract of land situated in the NE ¼ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S34°45'15"E a distance of 2927.02 feet, said point being on the easterly right of way line of West Ridge Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N26°47'20"W a distance of 48.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, N63°38'02"E a distance of 20.00 feet; thence S26°47'20"E a distance of 48.00 feet; thence S63°38'02"W a distance of 20.00 feet to the point of beginning, containing 960 square feet, more or less.

EASEMENT DESCRIPTION #6

A tract of land situated in the NE ¼ of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S38°27'23"E a distance of 3218.59 feet, said point being on the southerly right of way line of Larch Lane and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N26°21'04"W a distance of 48.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, S63°38'02"W a distance of 20.00 feet; thence S26°21'04"E a distance of 48.00 feet; thence N63°38'02"E a distance of 20.00 feet to the point of beginning, containing 960 square feet, more or less.

EASEMENT DESCRIPTION #7

A tract of land situated in the SE ¼ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S37°23'27"E a distance of 3459.29 feet, said point being on the southerly right of way line of Hickory Lane and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N26°06'45"W a distance of 48.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, S63°38'02"W a distance of 20.00 feet; thence S26°06'45"E a distance of 48.00 feet; thence N63°38'02"E a distance of 20.00 feet to the point of beginning, containing 960 square feet, more or less.

EASEMENT DESCRIPTION #8

A tract of land situated in the SE ¼ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S34°38'19"E a distance of 3831.75 feet, said point being on the westerly right of way line of West Ridge Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N63°36'54"E a distance of 52.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, N26°21'58"W a distance of 20.00 feet; thence S63°36'54"W a distance of 52.00 feet; thence S26°21'58"E a distance of 20.00 feet to the point of beginning, containing 1040 square feet, more or less.

EASEMENT DESCRIPTION #9

A tract of land situated in the SE ¼ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S26°48'28"E a distance of 3795.23 feet, said point being on the westerly right of way line of Red Bud Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N63°32'43"E a distance of 52.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, N26°21'58"W a distance of 20.00 feet; thence S63°32'43"W a distance of 52.00 feet; thence S26°21'58"E a distance of 20.00 feet to the point of beginning, containing 1040 square feet, more or less.

EASEMENT DESCRIPTION #10

A tract of land situated in the SE ¼ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S24°07'58"E a distance of 3149.59 feet, said point being on the southerly right of way line of Larch Lane and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N26°21'49"W a distance of 48.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, N63°38'02"E a distance of 20.00 feet; thence S26°21'49"E a distance of 48.00 feet; thence S63°38'02"W a distance of 20.00 feet to the point of beginning, containing 960 square feet, more or less.

EASEMENT DESCRIPTION #11

A tract of land situated in the SE ¼ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at a 5/8 inch rebar with yellow plastic cap from which point the quarter corner common to Section 1, T.39 S., R.8 E. W.M. and Section 6, T.39 S., R.9 E., W.M. bears S26°55'02"E a distance of 3042.41 feet, said point being on the westerly right of way line of Red Bud Drive and also marking a point on the exterior line of The Woodlands - Phase 1.1, Tract 1416; thence along said exterior line of The Woodlands - Phase 1.1, N63°42'44"E a distance of 52.00 feet; thence leaving said exterior line of The Woodlands - Phase 1.1, S26°21'58"E a distance of 20.00 feet; thence S63°42'44"W a distance of 52.00 feet; thence N26°21'58"W a distance of 20.00 feet to the point of beginning, containing 1040 square feet, more or less.

Basis of Bearings for above easements is grid North per the Oregon State plane Coordinate System of 1983, South Zone.

Exhibit B

Southview Planned Unit Development – Parcel 1

A parcel of land situated in the NE¼ and SE¼ of Section 36, Township 38 South, Range 8 East of the Willamette Meridian, the NE¼ of Section 1 Township 39 South, Range 8 East of the Willamette Meridian, and the NW¼ NW¼ of Section 6, Township 39 South, Range 9 East of the Willamette Meridian, all in Klamath County, Oregon and being more particularly described as follows:

Beginning at a point on the north-south centerline of Section 36 from which the NW corner of the SW¼ NE¼ of said section bears North 00°11'27" East 427.59 feet; thence South 89°58'12" East 619.61 feet; thence South 27°18'39" East 3530.91 feet; thence South 62°41'21" West 250.36 feet; thence South 27°18'39" East 1811.20 feet to a point on the south line of the NW¼ NW¼ of Section 6; thence along said south line South 89°28'21" West 199.91 feet to the SW corner thereof; thence along the south line of the NE¼ NE¼ of Section 1 North 89°29'44" West 1330.62 feet to the SW corner of said NE¼ NE¼; thence along the west line of the SE¼ NE¼ of Section 1 South 00°06'44" East 458.90 feet to the northerly right of way line of State Highway 140; thence along said northerly right of way line North 56°12'28" West 194.88 feet; thence leaving said right of way line North 11°59'09" East 364.18 feet to the south line of the NW¼ NE¼ of Section 1; thence along said south line South 89°56'08" West 516.20 feet to the said northerly right of way line of State highway 140; thence along said northerly right of way line North 50°28'23" West 199.25 feet; thence North 59°17'52" West 439.78 feet; thence leaving said northerly right of way line North 36°42'45" West 329.35 feet to the north-south center section line of Section 1; thence along said center section line North 00°04'15" East 722.87 feet to the ¼ corner common to Section 1 and Section 36; thence along the center section line of Section 36 North 00°11'27" East 3508.58 feet to the point of beginning, containing 195.46 acres, more or less, with bearings based on County Survey 6513

2174-01

June 11, 2003