

AFTER RECORDING RETURN TO:

City of Klamath Falls
Attn: City Recorder
500 Klamath Avenue
Klamath Falls, OR 97601

EASEMENT AGREEMENT AND DOMESTIC WATER SERVICE AGREEMENT

- A. Doug Pratt and Nancy Pratt ("Pratts") are the owners of a parcel of real property located at 425 Crest Street, Klamath Falls, Oregon and legally described as follows (the "Property"): A tract of land in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the iron pin at the Southwest corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34, said point being the Southeast corner of Beverly Heights Subdivision; thence Northerly along the West line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34 and the East line of Beverly Heights, a distance of 208.71 feet; thence Easterly parallel with the South line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34 a distance of 208.71 feet; thence Southerly parallel with the West line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34 a distance of 208.71 feet to the Southerly line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34; thence Westerly along the South line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 34 a distance of 208.71 feet to the point of beginning. [Referenced in deed recorded at M02, Page 59600.]

- B. The City of Klamath Falls, Oregon ("City") owns and operates a municipal water system and provides water service in the vicinity of the Property.
- C. City does not presently have a water line in the portion of Crest Street that fronts the Property, and the closest delivery point for water to serve the Property is located within Beverly Drive. Because of the significant cost associated with requiring the Pratts to extend a water main into the Crest Street right-of-way in front of the Property, City has agreed to provide water service to the Property via two "Public Utility and Water Line" easements across Parcels 1, 2 and 3 of Land Partition 20-96, recorded in the office of the Clerk of Klamath County (collectively the "Burdened Parcels"). One of the easements was created as part of Land Partition 20-96 (presumably to service Parcel 3) and the second easement was recorded at M05-63433 (collectively the "Utility Easements.")

- D. The City and Pratts intend by this Easement Agreement to clarify the understanding of the parties with respect to the City's water service to the Property and future use of the Utility Easements for water service.

AGREEMENT

In consideration of the terms and conditions of this Easement Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, City and Pratts hereby agree as follows:

1. The Pratts hereby acknowledge that the City may at some point in the future, and in conjunction with development of other properties in the area or as part of a water system improvement, require the placement of water main within the Crest Street right-of-way south of its intersection with Beverly Drive. If and when such extension occurs, the Pratts hereby agree to:
 - a) Pay for abandoning the water meter and service connection on Beverly Drive that service the Property and abandoning the water service line for the Property located within the Utility Easements;
 - b) Pay for the installation of a new service line and water meter connecting to the Crest Street water line extension;
 - c) If the water main extension is required as a result of development of other properties in the area, pay for a proportionate share of the cost of such extension based upon the Property's proportionate "benefit" as determined by City Engineering Staff at the time of the extension; the determination by City Engineering shall be similar in process to the determinations made in conjunction with Local Improvement District assessments; and
 - d) Abandon its right under the Utility Easements to have a water service line within the Utility Easements.
2. Except as provided for herein, City agrees to not require Pratts to construct at their expense a water main within the Crest Street right-of-way to service the Property.
3. The rights and obligations granted and imposed by this Easement Agreement shall run with the Property, including any division or partition of the Property. The rights, covenants and obligations of this Easement Agreement shall bind burden and/or benefit all subsequent purchasers of the Property, the Pratts, the City and the heirs, successors and assigns of the Pratts and the City.

IN WITNESS WHEREOF, We have hereunto set our hands this 15th day of December, 2005.

CITY OF KLAMATH FALLS

By: [Signature]
Jeff Ball, City Manager

Attest: [Signature]
Elisa D. Olson, City Recorder

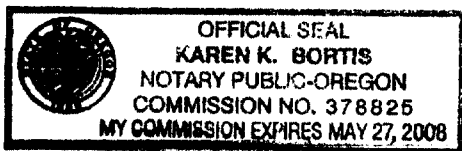
GRANTORS/PROPERTY OWNERS

[Signature]
Doug Pratt

[Signature]
Nancy Pratt

STATE OF OREGON)
) ss.
County of Klamath)

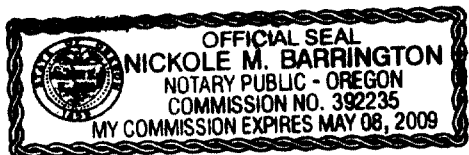
On the 12th day of December, 2005, personally appeared Doug Pratt and Nancy Pratt, who, being duly sworn, acknowledged said instrument to be their voluntary act and deed.



WITNESS my hand and official seal.
[Signature]
SIGNATURE OF NOTARY PUBLIC
Notary Public for Oregon
My Commission Expires: 5-27-08

STATE OF OREGON)
) ss.
County of Klamath)

On the 15th day of December, 2005, personally appeared Jeff Ball and Elisa D. Olson, who, each being first duly sworn, did say that the former is the City Manager and the latter is the City Recorder of the City of Klamath Falls, an Oregon municipal corporation, and that the instrument was signed on behalf of said municipal corporation; and each of them acknowledged said instrument to be its voluntary act and deed.



WITNESS my hand and official seal.
[Signature]
SIGNATURE OF NOTARY PUBLIC
Notary Public for Oregon
My Commission Expires: 5-8-2009