

**AFTER RECORDING RETURN TO:**

City Recorder  
500 Klamath Avenue  
Klamath Falls, OR 97601

**2008-016449****Klamath County, Oregon**

00057483200800164490030033

12/12/2008 11:53:27 AM

Fee: \$31.00

**GRANTEE:**

K-Falls Hotel, LP, a Delaware Limited Partnership  
PO Box 41160  
San Jose, CA 95120

**GRANTOR:**

City of Klamath Falls  
500 Klamath Avenue  
Klamath Falls, OR 97601

**LICENSE & ENCROACHMENT PERMIT**

The City of Klamath Falls, Oregon, a municipal corporation (City) and K-Falls Hotel, LP, a Delaware Limited Partnership (Grantee) for and in consideration of the covenants and conditions hereinafter set forth, agree as follows:

City hereby gives and grants to Grantee, its successors and assigns, upon the terms and subject to the conditions hereinafter set forth, exclusive permission to encroach upon a portion of the City's existing Sewer Easement ("Easement") in the City of Klamath Falls at the rear of 2430 South 6<sup>th</sup> Street (as shown on the attached map Exhibit "A"). This license/permit is granted for the limited purpose of permitting the encroachment of the existing motel building corner into/onto the City of Klamath Falls Sanitary Sewer Easement (as set forth on the plat of Land Partition 77-05) by approximately 1.1 feet, and is subject to the following conditions:

- 1) Grantee shall comply with all relevant local, state and federal regulations pertaining to Grantee's use of the area, including but not limited to, City Planning, City Wastewater and building regulations;
- 2) Grantee shall submit the as-built construction plans to the City's Public Works Department and shall conform to any modifications or restrictions imposed by the Department; and
- 3) Grantee shall be responsible for all maintenance of the building corner, for all expenses for moving of the sewer line and dedication of additional easement area, if required under this license-permit, and for restoration of the easement damaged by such maintenance or removal.

Grantee agrees to pay to the City, as compensation for the privileges herein granted, the sum of Eighty-One Dollars (\$81.00), receipt of which is hereby acknowledged by City.

Grantee shall save and hold harmless the City from, and indemnify the City against, any and all liability for or on account of any death or injury to persons, or damage to property incurred in any manner whatsoever growing out of Grantee's use of the encroachment area, or the public's loss of the privileges herein granted. Notwithstanding City's approval of this license/permit, Grantee acknowledges and agrees that the encroachment of the motel building into the Easement area is at Grantee's sole and exclusive risk. Grantee further agrees that City shall not be responsible for damage to any structures or improvements within the Easement caused by or related to City's legitimate use of the easement.

This agreement shall run from year to year and shall be perpetual. If in the future City determines it is necessary to protect the encroaching motel building from City's use of the Easement, Grantee agrees: a) to dedicate to City sufficient additional easement area opposite the encroachment necessary to protect the building; and/or b) to pay the costs of realigning the sewer line in the Easement if reasonably necessary to protect the structural integrity of the building while excavating in the Easement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this 11<sup>th</sup> day of December, 2008.

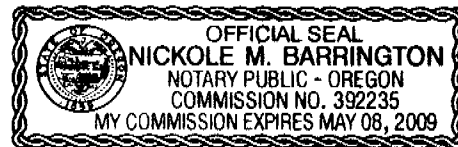
CITY OF KLAMATH FALLS

By: [Signature]  
City Manager

Attest: [Signature]  
City Recorder

GRANTEE

By: [Signature]  
Name: BRADFORD C. MAILLY  
Title: GENERAL MANAGER



STATE OF OREGON )

) ss.

County of Klamath )

On the 11<sup>th</sup> day of December, 2008, personally appeared Jeffrey D. 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.



[Signature] Nickole M. Barrington  
Notary Public for Oregon  
My Commission Expires: April 25, 2011 My Commission Expires: 5-8-2009

STATE OF OREGON )

) ss.

County of Klamath )

On December 11, 2008, personally appeared Bradford Mailly, who, being first duly sworn, did acknowledge that he/she is the General Manager of K-Falls Hotel, LP, a Delaware Limited Partnership, that the foregoing instrument was signed on behalf of K-Falls Hotel, LP, a Delaware Limited Partnership, that he/she is authorized to execute this instrument and that this instrument is the voluntary act and deed of that entity.

[Signature]  
Notary Public for State of Oregon  
My Commission Expires: April 25, 2011

## EXHIBIT A

