

AFTER RECORDING, RETURN TO:

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Klamath Falls OR 97601



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Fee: \$52.00

EASEMENT AGREEMENT

THIS Agreement is made effective August 31, 2009, by and between HMR, Inc., an Oregon corporation ("HMR"), and Skyline View District Improvement Company, an Oregon nonprofit corporation ("District").

RECITALS:

- A. District owns and operates a potable water storage and delivery system, which provides domestic water to residences generally located in the Piedmont Heights area of Klamath Falls, Oregon.
- B. District's water storage tanks are on land owned by HMR. Heretofore, HMR has made and delivered to District two Easements for the construction, reconstruction, operation, and maintenance of District's water storage tanks. Those Easements are recorded in Volume 300 at Page 143 and Volume M72 at Page 12891 of the Deed Records of Klamath County, Oregon.
- C. District is in the process of obtaining funding to replace one of its water storage tanks and to make other improvements to its domestic water delivery system. In the process of gathering information for funding of the improvements, District discovered that neither of its water storage tanks is located completely within the area of the said Easements.
- D. In addition to providing Easements to District for the construction and operation of its water storage tanks, HMR's predecessor in interest granted Easements to District for the construction, reconstruction, operation, and maintenance of a water line to its storage tanks and for an access road to the storage tank site. Said Easements are recorded in Volume M75 at Page 7457 of the Deed Records of Klamath County, Oregon.
- E. By this Agreement, the parties desire to restate and replace the prior Easements with this Easement Agreement. Upon execution and recording of this Easement Agreement, the prior Easements shall be deemed revoked. By this Easement Agreement, the parties intend to provide an easement area that incorporates the existing water tanks, one of which will be removed and replaced, and to provide for access to the subject property, but reserving to HMR the right to use the access road for the development of the land it owns that surrounds the easement area.

WITNESSETH:

The parties agree as follows:

1. HMR hereby grants and conveys to Skyline View District Improvement Company a perpetual easement for the construction, reconstruction, operation, and maintenance of potable water storage reservoirs and tanks on a 100 foot square parcel of land situated in the NW¼ and the SW¼ of Section 6, Township 39 South, Range 10 E., W.M., Klamath County, Oregon, described as follows:

Beginning at a point from which the West quarter corner of Section 6, Township 39 South, Range 10 E., W.M. bears South 15° 28' 10" West 335.7 feet distant, said point also being the Southeast corner of that parcel described in Volume 300 at Page 143 of the Deed Records of Klamath County, Oregon; thence North along the East boundary and the East boundary extended of said parcel described at Page 143 of Volume 300, 35 feet to a point which is the true point of beginning of this Easement; thence East 50 feet; thence South 100 feet; thence West 100 feet; thence North 100 feet; and thence East 50 feet to the true point of beginning.

2. HMR further grants to Skyline View District Improvement Company an easement 20 feet in width for the access road to said storage tank easement site, which said road is located in the W½ of Section 6, Township 39 South, Range 10 E., W.M., Klamath County, Oregon, more particularly described as follows:

A strip of land 10 feet each side of and at right angles to the following-described centerline:

Beginning at a point on the west line of said Section 6 and North 0° 27' West, a distance of 11.3 feet from an iron pin at the West ¼ corner of said Section 6; thence South 63° 03' East, parallel with and 10 feet at right angles from the Northeast line of Skyline View Subdivision, a distance of 241.8 feet; thence North 76° 11' East, a distance of 85.7 feet; thence North 19° 48' East, a distance of 68.2 feet; thence North 25° 52' West, a distance of 166.8 feet; thence North 36° 29' West, a distance of 251.0 feet to said water tanks.

3. HMR further grants and conveys to Skyline View District Improvement Company an easement for the operation, maintenance, removal, replacement, and improvement of its water line, which said easement is 10 feet in width and is more particularly described in the instrument recorded in Volume 300 at Page 143 of the Deed Records of Klamath County, Oregon, which said description is incorporated herein by this reference.

4. The easements described above shall be perpetual and shall inure to and be for the benefit of District. Provided, however, that HMR reserves the right to use the access road in common with District and to expand or improve the access road as HMR determines appropriate for use and development of HMR's real property that surrounds the area of the Easements granted above.

5. The Easements for the water line and the access road may be used for vehicular and pedestrian ingress and egress and as utility corridors, as may reasonably be required by District in the construction, reconstruction, operation, and maintenance of its facilities including, but not limited to, the

water line pipeline and the water storage tanks and reservoirs.

6. District acknowledges and agrees that HMR's right to use the access road Easement and to improve said road shall not lapse as a result of HMR's failure to exercise its rights of use. Further, District agrees that HMR may, as a part of the development of its property, relocate the access road and develop it to standards then existing under the applicable land development codes and ordinances of the City of Klamath Falls and Klamath County, as part of the development of its surrounding land. In the event that HMR relocates the access road, it shall do so in a manner that provides reasonable, appropriate, and useful access to the water tank and reservoir easement area described above.

7. Any party at any time may improve any of the Easements established hereby. Provided, however, that the other party shall have no obligation to participate financially in such improvements.

8. Within a reasonable time following the execution and recording of this Easement Agreement, District shall cause the area of the water tank Easement to be surveyed and the corners marked. Following construction and replacement of one of its water tanks, District shall cause the area of its water tanks to be fenced and shall, thereafter, maintain such fencing.

9. At all times, District shall hold HMR harmless from and shall indemnify HMR from any liability and costs, including attorney's fees for any claim or damages arising out of the usage of the Easements by District. District shall obtain and maintain continuously broad-form public liability insurance with minimum combined limits of not less than \$500,000 and shall maintain said policy in force at all times.

10. Neither party shall unreasonably curtail or impede use of the access road Easement for vehicular and pedestrian ingress and egress.

11. In the event of any litigation arising under this Easement Agreement, the prevailing party shall recover from the losing party the prevailing party's reasonable attorney's fees at trial or on appeal as adjudged by the trial or appellate court.

12. The Easements granted hereunder shall run with the land as to all property burdened and benefitted by such Easements, including any division or partition of such property. The rights, covenants, and obligations contained in this Easement Agreement shall bind, burden, and benefit each party's successors and assigns, lessees, mortgagees, or beneficiaries under Deeds of Trust.

13. In the execution and recording of this Easement Agreement, the Easements heretofore granted to District and recorded in Volumes 300 at Page 143, M72 at Page 12891, and M75 at Page 7457, together with the letter of permission allowing District to fence the area of its two water tanks, which is recorded in Volume M89 at Page 21874 of the Deed Records of Klamath County, Oregon, shall be deemed revoked and of no further force and effect.

IN WITNESS WHEREOF, the parties have caused this Easement Agreement to be executed and

effective as of the date first herein written.

HMR, Inc.

By:

Thomas J. Shaw
Its President

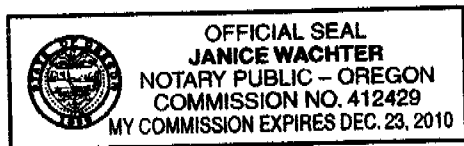
SKYLINE VIEW DISTRICT IMPROVEMENT COMPANY

By:

Daniel G. Houghum
Its President

STATE OF OREGON, County of Klamath) ss.

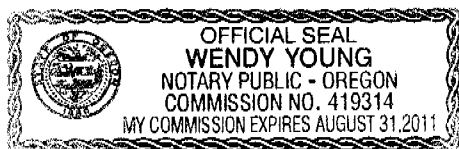
This instrument was acknowledged before me this 28th day of SEPTEMBER, 2009 by
Thomas J. Shaw, as President of HMR, Inc.



Janice Wachter
Notary Public for Oregon
My Commission Expires: 12/23/10

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me this 24 day of August, 2009 by
Daniel G. Houghum as President of Skyline View District Improvement Company



Wendy Young
Notary Public for Oregon
My Commission Expires: 8.31.2011

EASEMENT AGREEMENT