

NJC 89391

2011-007110

Klamath County, Oregon



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06/10/2011 01:39:07 PM

Fee: \$77.00

After recording return to:

Running Y Development, LLC
NVHG OR Resorts, LLC
32 Hyde Lane
Westport, CT 06880

IRRIGATION EASEMENT AGREEMENT

This Irrigation Easement (this "Agreement") is made as of this 10 day of June 2011, by and between CALEDONIA PROPERTIES LLC, an Oregon limited liability company ("Grantor") and RUNNING Y DEVELOPMENT, LLC ("Grantee"), in accordance with that certain Farm Purchase and Sale Agreement dated January 26, 2011 between Grantee, as Seller, and Grantor, as Buyer (the "Agreement").

Concurrently herewith, Grantee has sold Grantor the property described on attached **Exhibit A** (the "Property"). As part of the consideration for the conveyance, Grantor agreed to provide Grantee with an irrigation easement over a portion of the Property as shown on attached **Exhibit B** (the "Easement Area"). The Easement Area shall be thirty (30) feet wide, centered on the existing canal.

Agreement

Now therefore, in consideration of the foregoing, the parties hereby agree as follows:

1. Grant of Easement; Covenant of Provision of Water. Grantor hereby grants to Grantee an easement (the "Easement") over the Easement Area for the benefit of the Property described on attached **Exhibit C** (the "Benefited Property") for purposes of delivery of irrigation water to the Benefited Property as provided in this Agreement. Grantor shall provide, and Grantee shall be entitled to receive, three (3) acre feet of water per acre per year to serve the existing wetland cell located on the Benefited Property. Notwithstanding the foregoing, Grantor's obligations under this Agreement shall be limited by: (a) the extent of the water rights associated with the Benefited Property; (b) any limits that any applicable governmental agency may place on the supply and/or use of the water rights associated with the Benefited Property; and (c) any physical impediments to the delivery of water to the Benefited Property, provided such impediments are reasonably outside the control of Grantor.

2. Grantor's Retained Rights. The Grantor may use the Easement Area in any way Grantor desires and may grant such other easements as Grantor may elect; provided, however, any such use and any such grant of other easements shall not interfere with Grantee's use and enjoyment of the Easement.

77AWT

3. Repair Obligations of Grantor. Grantor shall, at Grantor's sole cost and expense, keep the Easement Area in good condition and repair and free of obstructions. This maintenance and repair obligation shall include the repair and/or replacement of the canal as necessary to provide the irrigation water required hereunder.

4. Compliance with Laws. Grantor shall maintain and repair the improvements in the Easement Area and deliver the irrigation water to Grantee in accordance with all applicable laws, rules and regulations and maintain the same in a safe condition.

5. Successors and Assigns: Easements Run With the Land. This Agreement shall run with the land and is binding upon and shall inure to the benefit of Grantor and Grantee and their respective heirs, personal representatives, successors, and assigns.

6. Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement nor in any way affect the terms and provisions hereof.

7. Partial Invalidity. If any provision of this Agreement shall to any extent be held invalid, then the remainder of this Agreement shall be valid to the fullest extent permitted by law.

8. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which, when taken together, shall constitute one and the same instrument.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

[Signatures and Notaries on Next Page]

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

GRANTOR:

CALEDONIA PROPERTIES LLC,
an Oregon limited liability company

By: [Signature]
Name: Jeffrey Sparrow
Its: G.P. of Richard Rice & Jeff Sparrow
Date: 6/09/11
member of Caledonia Properties LLC

STATE OF ~~OREGON~~ California)
)ss.

County of San Joaquin)

The foregoing instrument was acknowledged on _____ day of June 2011, by _____.

GRANTEE:

RUNNING Y DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____
Date: _____



[Signature]
Notary Public for _____
My Commission Expires: Jan 15, 2014

STATE OF OREGON)
)ss.
County of _____)

The foregoing instrument was acknowledged before me on this _____ day of June 2011, by _____.

Notary Public for _____
My Commission Expires: _____

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

GRANTOR:

CALEDONIA PROPERTIES LLC,
an Oregon limited liability company

X By: Mark Campbell
Name: Mark Campbell
Its: Manager
Date: 6/9/2011

GRANTEE:

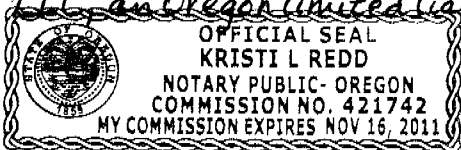
RUNNING Y DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____
Date: _____

STATE OF OREGON)

County of Klamath) ss.

The foregoing instrument was acknowledged before me on this 9th
day of June 2011, by Mark Campbell, Manager for Caledonia Properties,
LLC, an Oregon limited liability company



STATE OF OREGON)

County of _____) ss.

Kristi L. Redd
Notary Public for Oregon
My Commission Expires: 11/16/2011

The foregoing instrument was acknowledged before me on this _____
day of June 2011, by _____.

Notary Public for _____
My Commission Expires: _____

IN WITNESS WHEREOF, ^{the parties have} ~~Declarant has~~ ^{Agreement} executed this ~~Declaration~~ of Easement as of the date first set forth above.


GRANTOR:

CALEDONIA PROPERTIES LLC,
an Oregon limited liability company

By: _____
Name: _____
Its: _____
Date: _____

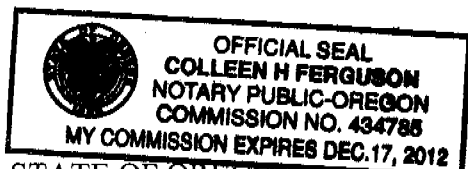
GRANTEE:

RUNNING Y DEVELOPMENT, LLC,
a Delaware limited liability company

By: 
Name: SIMON HAUGARTEN
Its: AUTHORIZED SIGNATORY
Date: 6.8.11

STATE OF OREGON)
County of CROOK) ss.

The foregoing instrument was acknowledged before me on this 8th
day of June 2011, by Simon Haugarten



STATE OF OREGON)
County of _____) ss.

Colleen H. Ferguson
Notary Public for State of Oregon
My Commission Expires: 12-17-2012
Comm # 434785

The foregoing instrument was acknowledged before me on this _____
day of June 2011, by _____.

Notary Public for _____
My Commission Expires: _____

Exhibit A
Grantor's Property

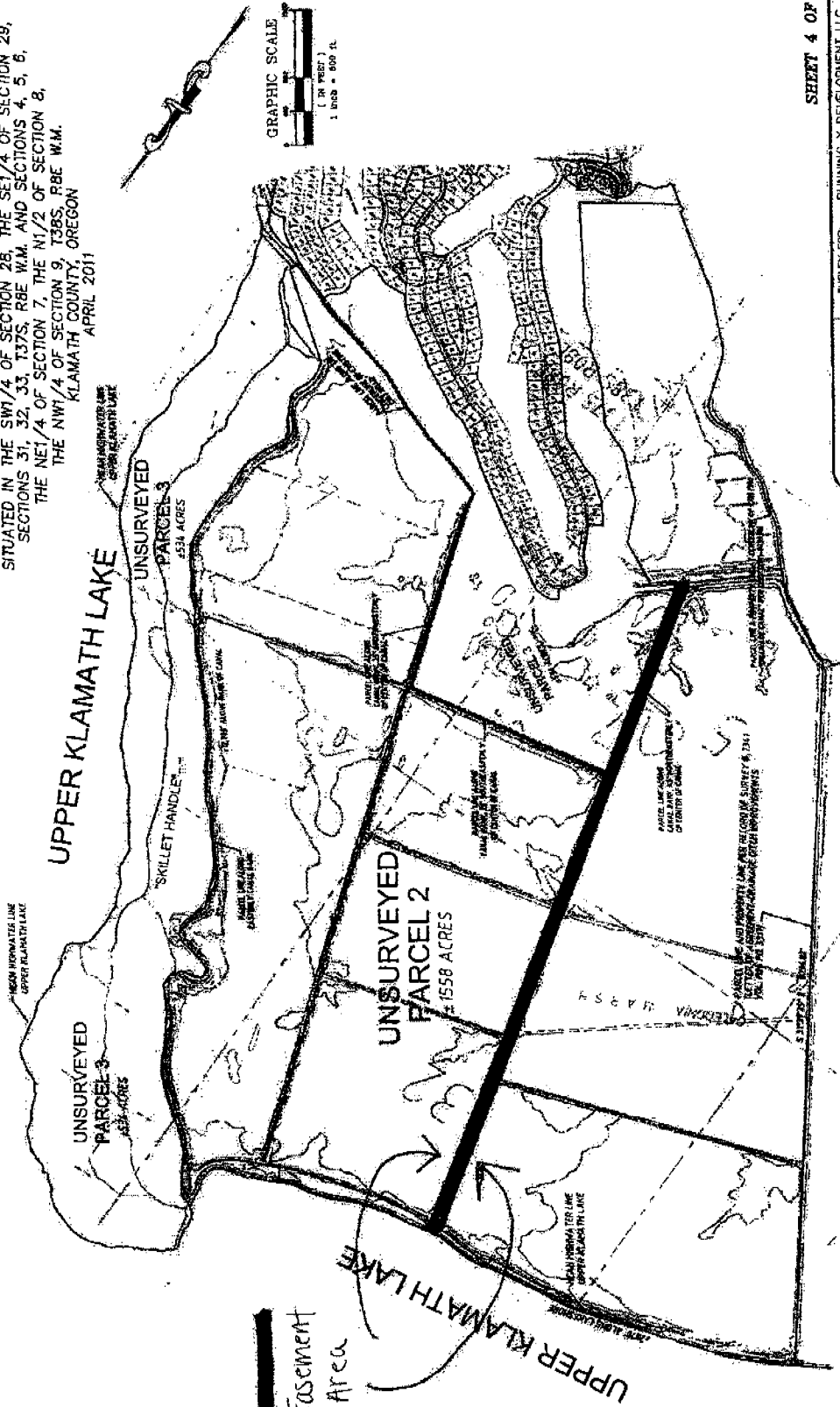
That certain real property located in Klamath Falls County, State of Oregon, legally described as:

Parcels 1 and 2 of Land Partition 05-11 being a replat of portions of Parcels 1 & 2 of LP 60-94 situated in the SW1/4 of Section 28, the SE1/4 of Section 29, Section 31, 32, 33, Township 37 south, Range 8 east of the Willamette Meridian and Section 4, 5, 6, the NE1/4 of Section 7, The North1/2 of Section 8, The NW1/4 of Section 9, Township 38 south, Range 8 east of the Willamette Meridian, Klamath County, Oregon, being recorded with the County Clerk on June 2, 2011 in Volume 2011-006764.

Exhibit B
Easement Area

Exhibit B

UNSURVEYED
LAND PARTITION 05-11
 BEING A RE-PLAT OF PORTIONS OF PARCEL 1 & 2 OF L.P. 60-94
 SITUATED IN THE SW1/4 OF SECTION 28, THE SE1/4 OF SECTION 29,
 SECTIONS 31, 32, 33, T37S, R8E W.M. AND SECTIONS 4, 5, 6,
 THE NE1/4 OF SECTION 7, THE N1/2 OF SECTION 8,
 THE NW1/4 OF SECTION 9, T38S, R8E W.M.
 KLAMATH COUNTY, OREGON
 APRIL 2011



SHEET 4 OF 5

SURVEY FOR: RUNNING Y DEVELOPMENT LLC
 5115 RUNNING Y ROAD
 KLAMATH FALLS, OR 97601

DATE: APRIL 2011 PROJECT NO. 1122

R-C GROUP
 ENGINEERING, SURVEYING, PLANNING
 1100 N. 1ST STREET, SUITE 200
 KLAMATH FALLS, OREGON 97601
 Phone: (503) 881-9405 Fax: (503) 881-9406

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

Kathy R. Rhine
 KATHY R. RHINE
 LICENSE NO. 12345

LEGEND: BOUNDARY AND PARCEL LINES

I HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF LAND PARTITION 05-11 AS FILED WITH THIS OFFICE.

Linda Spaulding
 LINDA SPAULDING
 CLERK

I HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF LAND PARTITION 05-11 AS PARTITIONED AND PLATTED.

Kathy R. Rhine
 KATHY R. RHINE
 LAND SURVEYOR

2011-6764

Exhibit C

Benefited Property

That certain real property located in Klamath Falls County, State of Oregon, legally described as

Parcel 3 of Land Partition 05-11 being a replat of portions of Parcels 1 & 2 of LP 60-94 situated in the SW1/4 of Section 28, the SE1/4 of Section 29, Section 31, 32, 33, Township 37 south, Range 8 east of the Willamette Meridian and Section 4, 5, 6, the NE1/4 of Section 7, The North1/2 of Section 8, The NW1/4 of Section 9, Township 38 south, Range 8 east of the Willamette Meridian, Klamath County, Oregon, being recorded with the County Clerk on June 2, 2011 in Volume 2011-006764.