

AFTER RECORDING, RETURN TO:

Klamath Irrigation District  
6640 KID Lane  
Klamath Falls OR 97603



00103429201100073040030035

06/16/2011 10:20:39 AM

Fee: \$47.00

AGREEMENT RESCINDING APPLICATIONS AND  
AGREEMENTS FOR EXEMPTION FROM PAYMENT OF ASSESSMENTS

This Agreement is made effective April 14, 2011 by and between the Klamath Irrigation District ("KID") an Oregon municipal corporation, and Pelican Pointe Assisted Living, LLC, an Oregon Limited Liability Company ("Pelican Pointe").

RECITALS:

A. KID is an Oregon municipal corporation organized and operating pursuant to Oregon Revised Statute Chapter 545.

B. Pelican Pointe owns land within KID, which can be served with irrigation water from facilities operated and maintained by KID.

C. In 1991, pursuant to Applications and Agreements for Exemption From Payment of Assessments recorded in Volume M91 at Page 1073 and Volume M91 at Page 1079, Austin B. Lewis, Lois P. Lewis, Fred A. Lewis, and Marian Lewis, who were then the owners of the land now owned by Pelican Pointe, entered into Agreements with KID exempting certain land in Klamath County, Oregon more particularly described in said recorded Agreements from the charges of KID for operation and maintenance of KID maintained facilities. In addition, those landowners released, waived, and assigned to KID any rights the land had to the receipt of irrigation water and other services from KID.

D. Pelican Pointe now desires to receive the delivery of irrigation water from KID and other services provided by KID and has paid to KID the sum of \$ 3200.00 representing payment in full of all charges and interest that would have been paid by the owners of the subject land for the delivery of water from 1991 to 2011.

E. KID is willing to enter into this Agreement rescinding the Applications and Agreements for Exemption From Payment of Assessments and acknowledges receipt of said payment.

Therefore, the parties agree as follows:

## AGREEMENT:

1. The Applications and Agreements for Exemption From Payment of Assessments recorded in Volume M91 at Page 1073 and Volume M91 at Page 1079 of the Deed Records of Klamath County, Oregon are hereby rescinded.

2. KID acknowledges payment in full of all charges and interest pertaining to the assessment years 1991 through 2011 due and payable from the subject land, which is also described as Klamath County Assessor Tax Lots 3809-034BC-00400 and 3809-034BC-00500.

3. The parties acknowledge that following the execution of said Applications and Agreements for Exemption From Payment of Assessments, KID filed Claims in the Klamath River Adjudication for water rights for irrigation of the land served by KID. Some Contestants to the Claims may assert that the land subject to this Agreement is not entitled to receive irrigation water because it was not being irrigated at the time the Claims were made. KID agrees that to the extent allowed by law, in the event a challenge to the delivery of irrigation water to the subject land is made, KID will exercise all authority it has to transfer irrigation water from other land exempted from assessments to the subject land on a temporary and, then when possible, permanent basis to fully serve the irrigation needs of the subject land. However, Pelican Pointe acknowledges that KID cannot and does not warrant delivery of irrigation water or the ultimate issuance of a Water Right Certificate by the State of Oregon for irrigation water for the subject land. Pelican Pointe agrees that it will cooperate with KID in executing any documents that may be reasonably needed to perfect a water right for the subject land.

4. Pelican Pointe hereby recognizes, ratifies, grants, and confirms the existence of all existing rights of KID and the United States affecting landowners' property, including without limitation by this recital, all rights of way, easements, and servitudes for all irrigation and drainage facilities of the United States and/or KID as now constructed and located upon or affecting landowners' said property and agrees that KID and the United States each now own, have, hold, and shall continue to own, have, and hold a prescriptive right, right of way, easement, and servitude for all percolation, seepage, leakage, overflow, flooding, and any failure or lack of drainage that may now exist or that has at anytime heretofore occurred or resulted from any irrigation or drainage facility now constructed or in existence on or near any part of the subject property.

5. Pelican Pointe hereby absolves, waives, and releases both KID and the United States from any and all claims of liability for any damages or injury to person or property that may have heretofore occurred or that may be occurring in connection with the ownership, operation, and maintenance of the Klamath Reclamation Project.

IN WITNESS WHEREOF the parties have hereunto set their hand effective as of the date

first set forth above.

KLAMATH IRRIGATION DISTRICT

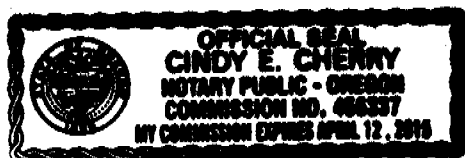
By: [Signature]  
Its President

PELICAN POINTE ASSISTED LIVING, LLC

By: [Signature]  
Its Authorized Representative

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on June 9, 2011 by  
David A. Cacka, President, Klamath Irrigation District.



[Signature]  
Notary Public for Oregon  
My Commission Expires: 4-12-2015

STATE OF Oregon, County of Klamath) ss.

This instrument was acknowledged before me on June 10, 2011 by  
Darren Fletcher, Administrator of Pelican Pointe Assisted Living, LLC.



[Signature]  
Notary Public for Oregon  
My Commission Expires: 4-12-2015