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AFTER RECORDING, RETURN TO:

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Fee: \$62.00

Klamath Irrigation District  
6640 KID Lane  
Klamath Falls OR 97603

### AGREEMENT FOR RELEASE OF WATER AND DRAINAGE RIGHTS

This Agreement is made by and between J&J Properties, LLC  
1821 Joe Wright Rd. Klamath Falls, OR 97603,  
herein called "Land Owners," whether one or more, and the Klamath Irrigation District, herein  
called "KID."

### RECITALS

A. Land Owners own land in Klamath County, Oregon containing 211,266 sq ft <sup>JOD 5.15 ac.</sup>  
acres of irrigable land, identified as Klamath County Tax Assessor's Account No(s):  
R581230 3909-2100-00100  
and more particularly described as follows: Parcel 2 of Land Partition 46-98 in the  
NE1/4NE1/4 of Section 21, Township 39 South, Range 9 East of the Willamette  
Meridian, Klamath County, Oregon.

B. Land Owners' predecessors in interest agreed to be included within KID for the  
purpose of receiving irrigation water and drainage services from KID and the United States of  
America, by and through the Bureau of Reclamation, Klamath Project.

C. Land Owners no longer desire to receive said services and pay the costs thereof.

### AGREEMENT

NOW, THEREFORE, in consideration of the release by KID of Land Owners' land from  
KID's charges, assessments, lien, collection, and foreclosure rights under Oregon Revised  
Statutes Chapter 545, Land Owners and Land Owners' heirs, devisees, personal representatives,  
grantees, vendees, successors, and assigns, jointly and severally represent, warrant, guarantee,  
covenant, and agree with KID and its successors and assigns as follows:

1. Land Owners are the sole owners and holders of the fee simple title to the above-  
described lands and have good right to execute this Agreement and to bind said lands as herein  
agreed. If said lands are subject to any trust deed, mortgage, contract of sale, or other lien upon  
the land, Land Owners agree to furnish to KID a recordable agreement from the owners and  
holders of such instrument or lien accepting the terms of this Agreement and releasing any lien it  
may have against the water rights, easements, and servitudes, acknowledged, released,  
transferred, and conveyed by this Agreement.

2. Said lands do not have reasonable access to the system of irrigation works of

KID, or have been permanently devoted to uses other than agriculture, horticulture, viticulture, or grazing, or are subject to being irrigated from another source or, it is in the best interest of KID to exclude said land from assessment and from the benefits of KID.

3. Land Owners understand and agree that by executing this Agreement, they are releasing and waiving all rights of membership in KID, including the right to receive irrigation water, the right to use the drainage system operated and maintained by KID, and the right to vote in any KID election.

4. Land Owners understand that by the execution of this Agreement said lands may lose any right to receive irrigation water diverted and delivered by KID from the Klamath River and Upper Klamath Lake ("irrigation water") under State law. Land Owners acknowledge that because of the abandonment by nonuse of any right to receive irrigation water diverted and delivered by KID and the continued nonuse of said water under this Agreement, the lands may fail to receive any future water rights for the diversion and delivery for irrigation water by KID for use on the land described above. Land Owners do hereby assign and transfer unto KID any and all water rights for the diversion and use of water from the Klamath River and Upper Klamath Lake, if any, appurtenant to their land and do hereby irrevocably appoint the chairperson of the Directors of KID as their attorney-in-fact to execute any and all documents that may be necessary to transfer said water rights, and to exclude Land Owners' land from KID. This Agreement shall not be interpreted to affect or restrict Land Owners right or ability to obtain water from any other provider or source.

5. Land Owners do hereby recognize, ratify, grant, and confirm the existence of all existing rights of KID or the United States affecting Land Owners' said property, including, without limitation by this recital, all rights of way, easements, and servitudes for all irrigation and drainage facilities of the United States or KID as now constructed and located upon or affecting Land Owners' said property and do agree that KID and the United States each now own, have, and 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, or any failure or lack of drainage that now exists or that at any time heretofore has occurred or resulted from any irrigation or drainage facility now constructed or in existence on or near any part of the Land Owners' said premises.

6. Land Owners do hereby absolve, waive, and release both KID and the United States from any and all claims of liability for any damages or injuries to person or property that may have heretofore occurred or that may now be occurring in connection with the ownership, operation, or maintenance of the Klamath Project. Each consenting mortgagee or lien holder consents to Grantor's covenants in this paragraph, but does not so covenant itself.

7. Land Owners understand and agree that should they desire to be included in KID in the future, if such inclusion is possible, before such request will be granted, Land Owners will be required as a condition thereof to pay all assessments that have been exempted by this Agreement, plus the amount of all interest that would have been chargeable for nonpayment of such assessments if they had not been exempted by this Agreement.

8. Land Owners' representations, warranties, covenants, and agreements herein set forth are covenants running with Land Owners' said land and each and every part and parcel thereof in perpetuity, forever binding the same for the use and benefit of KID and the United States of America, and their respective successors, grantees, transferees, and assigns.

9. Land Owners do hereby acknowledge that they have read all of the foregoing instrument and consent and agree to each of the representations, warranties, covenants, and agreements contained herein.

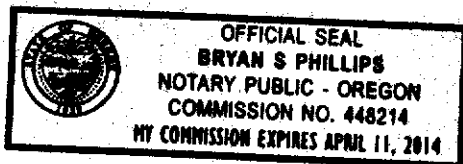
This Agreement shall take effect upon the approval of the same by the Board of Directors of KID, and the adoption of the Resolution exempting said land from the assessments of KID.

WITNESS their hands this 12<sup>TH</sup> day of FEBRUARY, 20 14.

LAND OWNERS:

Jon O'Donnell Jill M. O'Donnell  
STATE OF Oregon, County of Klamath ) ss.

This instrument was acknowledged before me on 2/12/14 by  
Jon O'Donnell and Jill O'Donnell



Bryan S. Phillips  
Notary Public for STATE OF OREGON  
My Commission Expires: 4/11/14

NOW, THEREFORE, KID does hereby duly execute this Agreement this 13<sup>th</sup> day of FEBRUARY, 2014.

KLAMATH IRRIGATION DISTRICT

By: Edward T. Bair  
Its Vice President

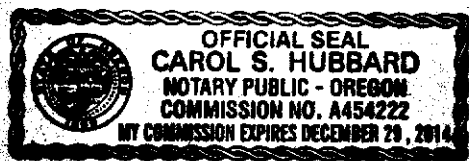
By: Mark Stuntebeck  
Its Secretary

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on the 13<sup>th</sup> day of FEBRUARY, 2014, by Edward T. Bair, as its Vice President, and Mark Stuntebeck, as Secretary, of the Klamath Irrigation District and that the seal affixed to this instrument is the official seal of said Klamath Irrigation District by authority of its Board of Directors, and each of them acknowledged said instrument to be the voluntary act and deed of the Klamath Irrigation District.

Carol S. Hubbard  
Notary Public for Oregon  
My Commission Expires: 12-29-2014

(Effective 01.28.2014)



**Consent of Lien Holder**

U.S. Bank N.A.,  
("Lien Holder"), hereby consents to the grant of the foregoing Agreement for Release of Water  
and Drainage Rights by J&J Properties, LLC to the  
Klamath Irrigation District, and joins in the execution hereof solely as Lien Holder and  
Hereby does agree that in the event of the foreclosure of the mortgage or Trust Deed Lien, or  
other sale of said property described in said mortgage under judicial or non-judicial proceedings,  
the same shall be sold subject to said Agreement for Release of Water and Drainage Rights.

SIGNED AND EXECUTED this 12th day of February, 2014.

Lien Holder: by: [Signature]  
Its Authorized Officer

STATE OF Oregon, County of Klamath ss.

This instrument was acknowledged before me on February 12, 2014

by Bryan Phillips

as AVP & RM of U.S. Bank N.A.

(Effective 01.28.2014)

[Signature]  
Notary Public for Klamath Falls  
My Commission Expires:  
August 13, 2014

