



January 6, 2009

Lake Oswego Corporation
698 McVey Ave
PO Box 203
Lake Oswego Oregon 97034
Attn: William R. O'Neill, President

INTERCEPTOR
SEWER GROUP

CITY OF
LAKE OSWEGO

4101 Kruse Way
P.O. Box 369
Lake Oswego
Oregon 97034

(503) 635-0270

www.lakeinterceptor.com



Re: Letter Agreement re: LOIS Project

Dear Mr. O'Neill:

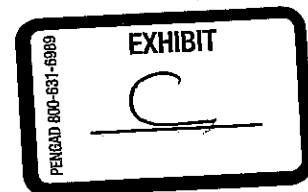
As you are aware, the City of Lake Oswego (the "City") is involved in a major public works project called the Oswego Lake Sewer Interceptor, or LOIS Project. The City and the Lake Oswego Corporation (the "LOC") entered into a Drawdown Agreement and a Sewer Line Easement Agreement (the "Agreements") related to the LOIS Project in March 2008. Such Agreements were recently amended on January [6], 2009 to account for revisions to the design and construction of the LOIS Project.

The City presents this Letter Agreement to the LOC to supplement the Agreements and confirm certain issues of concern to the LOC.

In the Agreements, the City agreed to use its best efforts to minimize the impact of the LOIS Project on recreational users of the Lake at all times. The City remains committed to that promise.

Revised design and construction plans will require some parts of the LOIS Project work to be conducted in the East Arm of Lake Oswego. The City has obtained a temporary easement from the LOC for this work. See Exhibit Z to the Sewer Line Easement Agreement ("Exhibit Z"). In addition to the terms contained in Exhibit Z, the City further agrees as follows, and to the extent there is any inconsistency between the terms of Exhibit Z or the Sewer Line Easement Agreement referred to therein and this Letter Agreement, the terms of this Letter Agreement shall control:

1. The City will conduct all work in the East Arm of the Lake in a manner that allows safe and functional use of LOC Marina vicinity improvements and maneuvering areas and safe and functional navigational access between the LOC Marina, the LOC boat ramp and private residences on both the north and south banks of the East Arm and the main body of the Lake during all times that water levels permit navigation. The City will also implement a barge and boat tie-off plan that ensures compliance with this commitment.
2. The City will observe LOC safety rules at all times, including the maintenance of buoys and other appropriate safety markers.



3. The City will move all portions of buoyant pipe assembled in the East Arm to the main body of the Lake within a reasonably short time after they are assembled.
4. The City will not erect any permanent structures within the East Arm easement area.
5. The City will not tie-up or moor any barge, boat or other watercraft to the LOC's dam structure.
6. For the portion of the East Arm Easement Area located to the west of the line described in paragraph 7 below, Easement Z and the Sewer Line Easement Agreement impose no restrictions or limitations on existing or future Water-Related Structures located within fifteen (15) feet waterward of the Bank, except for the restrictions, limitations and requirements that apply to "Grantee's Existing Interests" under the Sewer Line Easement Agreement. For the portion of the East Arm Easement Area located to the east of the line described in paragraph 7 below, neither Easement Z nor the Sewer Line Easement Agreement impose restrictions or limitations whatsoever upon Water-Related Structures, except for the restrictions, limitations and requirements that apply to "Grantee's Existing Interests" under the Sewer Line Easement Agreement, and except that no additional structures shall be allowed within such portion of the Easement Area that would impede, prevent or otherwise be inconsistent with Grantee's rights to launch and recover barges, boats and watercraft pursuant to Section II S. of the Drawdown Agreement.
7. Except for the launching and recovery of barges, boats and watercraft from the LOC Marina pursuant to Section II S. of the Drawdown Agreement, City will not use areas of the easement east of a line running due south from the southeast corner of Lot 42, Lakewood Bay Plat No. 1 or, except with the prior permission of LOC, areas west of such line that are within a twenty-five (25) foot radius of LOC's existing Marina, docks and tiedown areas. In particular, but without limitation, and except for the launching and recovery of barges, boats and watercraft pursuant to Section II.S of the Drawdown Agreement, the City will not tie up, anchor or moor any barge, boat or other watercraft, conduct work, or erect any temporary or permanent structures in such areas. City will conduct its work in a manner that allows LOC navigable access from the Marina to the face of the dam east of the properties located at 706 McVey.
8. Upon the City acquiring title to the properties located at 706 and 716 McVey, City will grant easements to LOC in the forms attached as Exhibits A and B to this Letter Agreement.

Mr. William (Skip) O'Neill
Letter Agreement – LOIS
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This Letter Agreement is specifically related to the City's activities in connection with the LOIS Project and shall not limit in any way other existing or future rights or authority of the City. This Letter Agreement will remain in effect throughout the duration of the temporary easement granted pursuant to Exhibit Z of the Sewer Line Easement Agreement.

Sincerely



Joel Komarek
Project Director, LOIS

LOC accepts this Letter Agreement in partial consideration for the grant of Easement Z.

Lake Oswego Corporation


By: 
Name: William (Skip) O'Neill, President

Exhibit A

PERMANENT EASEMENT

Grantor: The City of Lake Oswego, a municipal corporation of the State of Oregon
380 A Avenue
P.O. Box 369
Lake Oswego, OR 97034

Grantee: Lake Oswego Corporation, an Oregon Corporation
700 McVey Avenue
P.O. Box 203
Lake Oswego, OR 97034

Grant of Easement. The Grantor hereby grants and conveys to the Grantee, its agents, successors and assigns, for the uses and on the conditions hereinafter described, a permanent easement over, under, upon and across the portion of Grantor's property situated in the County of Clackamas, State of Oregon and described below (the "Easement Area") for the purposes described herein.

Permanent Easement Description. A tract of land situated in the Southeast one-quarter of Section 10, Township 2 South, Range 1 East, of the Willamette Meridian, City of Lake Oswego, Clackamas County, Oregon, being a portion of that tract of land as conveyed by deed to Robert J. Matthews and Gail A. Matthews, and Patricia H. Cullison, joint tenants, November 30, 1993, in Fee No. 93-89478, Clackamas County Deed Records and being more particularly described as follows:

BEGINNING at a point which bears East 14,290.78 feet and North 4,456.67 feet from a stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point also being the Northeasterly corner of said Matthews and Cullison tract; thence, southeasterly along said Matthews and Cullison tract, South 34°09'22" East, 43.59 feet to the Southeasterly corner of said Matthews and Cullison tract, also being on the Northerly right-of-way line of McVey Avenue, being 30.00 feet northerly of, when measured at right angles to the centerline thereof; thence, southwesterly along said Northerly right-of-way line, South 51°25'22" West, 2.59 feet; thence, leaving said Northerly right-of-way line, North 33°16'38" West 39.06 feet; thence, North 86°59'59" West, 12.21 feet to a point on the Northerly line of said Matthews and Cullison tract; thence, northeasterly along said Matthews and Cullison tract, North 68°32'38" East, 12.01 feet to the POINT OF BEGINNING.

Containing 124 square feet more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Michael A. Hargrave

OREGON
JANUARY 21, 1992
MICHAEL A. HARGRAVE
2533

6-30-09

RENEWAL DATE

Purpose, Use and Restrictions of Easement. This permanent Easement is being granted solely for the purpose of accessing (including ingress and egress incident thereto), constructing, operating, inspecting, repairing, replacing, relocating, reconstructing, modifying, cleaning, servicing and maintaining Grantee's existing or future damworks and flood control structures located within the Easement Area by the Grantee or its employees, agents and contractors. Such structures shall not encroach further upon the premises, by extent, elevation or otherwise, than Grantee's structures that exist as of the date of this Easement.

Any work done by the Grantee pursuant hereto shall be done so as to leave the premises in a condition reasonably the same or better than previous state of the premises, including, without limitation, reconstruction of any dock, deck or other structure maintained by Grantor or Grantor's successors in interest in or near the Easement Area. Any such new, replacement or modified deck, dock or other improvement constructed by Grantor or its successors in interest, or replaced or restored by Grantee pursuant to the preceding sentence, shall provide a means for relatively easy removal of the improvement in the event removal of the improvement shall become necessary to fulfill the rights of Grantee relating to damworks and flood control structures as set forth above.

The Grantor may utilize the Easement Area provided said use neither interferes with the Grantee's use of this Easement nor is inconsistent with the purposes of this Easement.

Consideration for Easement. Consideration for this easement is the good and valuable consideration provided pursuant to the Sewer Line Easement Agreement executed by the Grantor and Grantee on March 4, 2008 and amended on January 6, 2009.

Term of Easement. This easement is perpetual or until such earlier date as the Grantee's damworks and flood control structures have been abandoned.

IN WITNESS WHEREOF, the undersigned Grantor has hereunto executed this Easement on the date stated below the Grantor's signature.

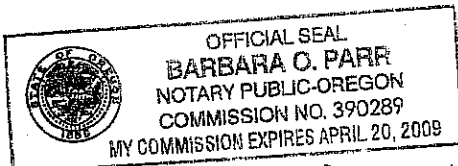
THE CITY OF LAKE OSWEGO, as Grantor

By: [Signature]
Name: Alex McIntyre
Title: City manager
Date: 1/6/09

State of Oregon)

County of Clackamas) ss.

On this 6th day of January, 2009, before me the undersigned Notary Public, personally appeared Alex McIntyre ("Grantor") personally known to me or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as City manager of the City of Lake Oswego, or on behalf of that entity, pursuant to authority and acknowledged to me the execution hereof.



Barbara O. Parr
Notary Public
Commission expires: April 20, 2009

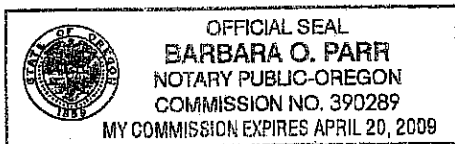
This document is accepted pursuant to authority and approved for recording.

THE LAKE OSWEGO CORPORATION, Oregon, as Grantee

By: [Signature]
Name: William R. ONEILL
Title: PRESIDENT
Date: 1/06/09 State of Oregon)

County of Clackamas) ss.

On this 6th day of January, 2009, before me the undersigned Notary Public, personally appeared William R. Oneill ("Grantee") personally known to me or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as President of the Lake Oswego Corporation, or on behalf of that entity, pursuant to authority and acknowledged to me the execution hereof.



Barbara O. Parr
Notary Public
Commission expires: April 20, 2009

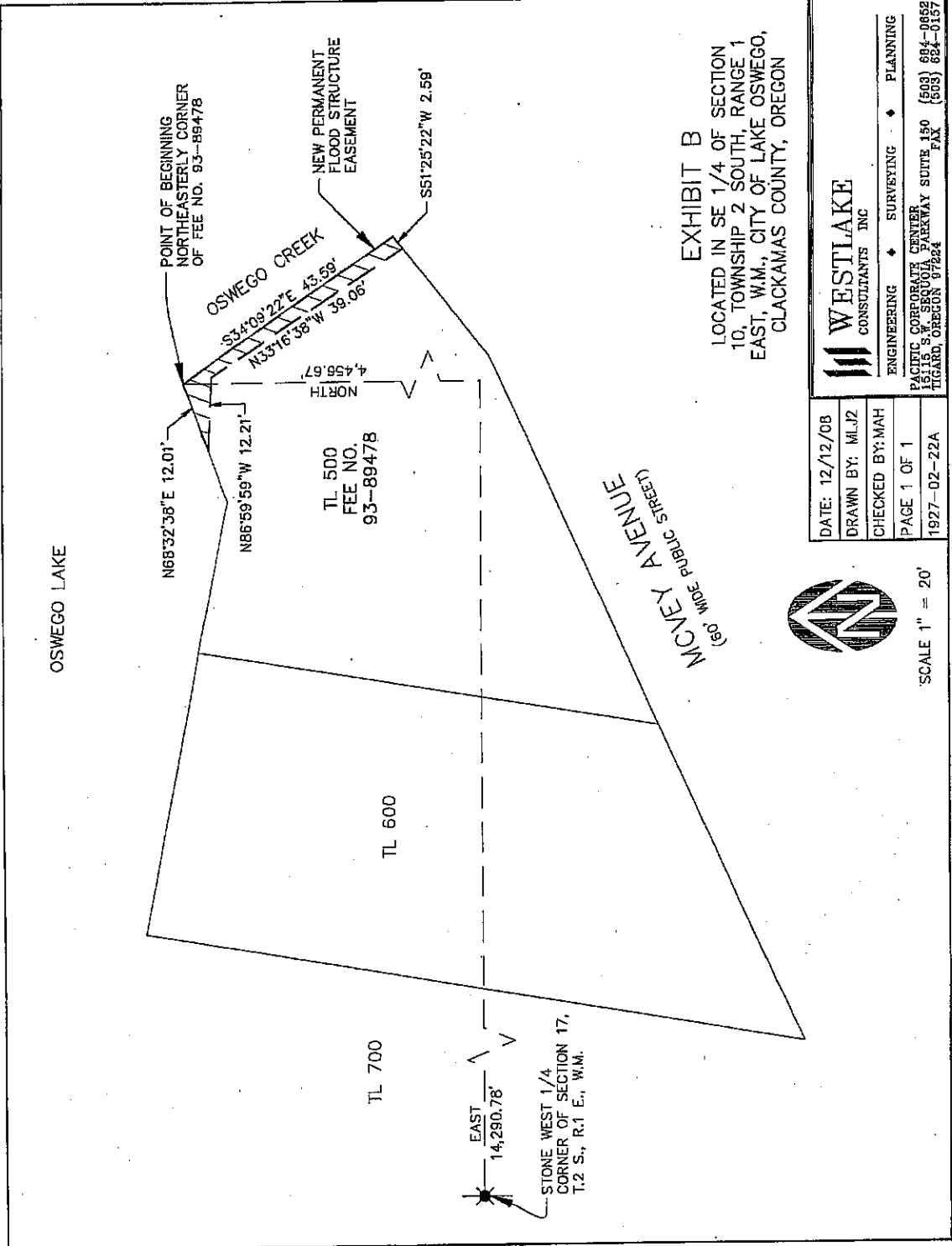



EXHIBIT B

LOCATED IN SE 1/4 OF SECTION
10, TOWNSHIP 2 SOUTH, RANGE 1
EAST, W.M., CITY OF LAKE OSWEGO,
CLACKAMAS COUNTY, OREGON

DATE: 12/12/08	ENGINEERING ♦ SURVEYING ♦ PLANNING
DRAWN BY: MLJ2	 WESTLAKE CONSULTANTS INC. ENGINEERING ♦ SURVEYING ♦ PLANNING
CHECKED BY: MAH	
PAGE 1 OF 1	PACIFIC CORPORATION CENTER 900 SEVILLA PARKWAY TIGARD, OREGON 97264 (503) 684-0852 FAX (503) 684-0157
1927-02-22A	



SCALE 1" = 20'

Exhibit B

TEMPORARY EASEMENT

Grantor: **The City of Lake Oswego**, a municipal corporation of the State of Oregon
380 A Avenue
P.O. Box 369
Lake Oswego, OR 97034

Grantee: **Lake Oswego Corporation**, an Oregon Corporation
700 McVey Avenue
P.O. Box 203
Lake Oswego, OR 97034

Grant of Easement. The Grantor hereby grants and conveys to the Grantee, its agents, successors and assigns, for the uses and on the conditions hereinafter described, a temporary access and construction easement upon and across the portion of Grantor's property situated in the County of Clackamas, State of Oregon and described below (the "Easement Area") for the purposes described herein.

Easement Area Description. A fifty foot wide strip of land lying westerly of, parallel and adjacent to, the easternmost line of a tract of land situated in the Southeast one-quarter of Section 10, Township 2 South, Range 1 East, of the Willamette Meridian, City of Lake Oswego, Clackamas County, Oregon, being a portion of that tract of land as conveyed by deed to Robert J. Matthews and Gail A. Matthews, and Patricia H. Cullison, joint tenants, November 30, 1993, in Fee No. 93-89478, Clackamas County Deed Records

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Michael A. Hargrave

OREGON
JANUARY 21, 1992
MICHAEL A. HARGRAVE
2533

6-30-09

RENEWAL DATE

Purpose, Use and Restrictions of Easement. This temporary Easement is granted solely for the purpose of providing Grantee with a location for temporarily placing and using a crane and

