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This is the agreement between the First Party, Otis Osburn, owner of 13.4 acres, more or less, of land lying south of Lower Lake Road, Klamath County, Oregon; and the Second Party, jointly Lawrence G. Letterman and Margaret K. Letterman, owners of 24 acres, more or less, lying south of Lower Lake Road, Klamath County, Oregon and adjacent to the above land of the First Party, for the MUTUAL USE of

The underground water derived from the above land of the First Party. The well is located on the tract of land situated in Government Lot 3pt sec. 27, Township 40 South, Range 9 EWH.

Both the First Party and the Second party shall have the right to use said water for the purposes of: heating residential and auxiliary structures, livestock and domestic consumption, and minor agricultural uses including heating of greenhouse structures to the extent of 4000 square feet of floor area. Other uses by either party may be permitted by agreement with the other party.

Period of Agreement: This agreement shall be in effect from the date given below to the fifth anniversary date thereafter. It shall be renewable thereafter upon such terms as may be agreeable to the parties concerned. This agreement shall continue in effect upon the heirs or executors of either Party

Considerations: As considerations for the use of the above mentioned water, The Second Party shall pay to the First Party at Post Office Box 62, Midland, Oregon, or other address as the First Party shall set forth in writing:

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a) One-hundred and fifty dollars (\$150.00) per year, first payment being due upon the date given below and each payment thereafter being due in advance at the beginning of each anniversary year.

b) An additional One-hundred and fifty dollars (\$150.00) per year, first payment being due upon the date that the water is first used by the Second Party and each payment thereafter being due at the beginning of each anniversary year of water usage. Provided, however, that no payment shall be due for any anniversary year in which the water is not used, and further, that the payment due during the last year of this agreement may be pro-rated in accordance with the end of this agreement.

c) Failure of the Second Party to make payments, not later than sixty days from due date, shall terminate this agreement.

Payment of Costs:

a) The First Party shall be responsible for the provision and costs of the pump and motor, together with the maintenance and repair thereof.

b) The First Party and the Second Party each shall be responsible for the installation and costs of any storage tanks, pipelines, electrical devices, and other equipment, together with the maintenance and repair thereof, which are solely for his benefit and use. Each Party shall retain ownership of that equipment and devices installed by him during the period of this agreement and subsequent to termination.

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c) Each Party shall be responsible for any liability arising from acts or omissions in the installation and use of the equipment and devices installed by him and shall hold the other Party harm-free Thereof.

d) Each Party shall be responsible for the electrical power costs incurred by his particular pump usage.

Access to Property: During the term of this agreement and any continuations thereof, the First Party grants to The Second Party The unrestricted use of that portion of The above described land of The First Party which lies between the southerly right-of-way of Lower Lake Road and a parallel line distant one-hundred feet towards the south and which line extends from the property line of The First Party to The property line of The Second Party. The First Party and The Second Party each shall have the right to place such storage tanks, pipelines, electrical devices, and other equipment upon or in said portion of land as necessary for his use of The water.

Resolution of Disagreements: In the event of a disagreement arising from the foregoing provisions which cannot be resolved by the First and Second Parties, each party shall appoint an arbiter and these two arbiters shall choose a third arbiter acceptable to the first two arbiters. The resolution agreed upon by these arbiters shall be binding upon both parties.

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The date of This agreement is 11 October 1975.

First Party:

O. H. Osburn
Otis Osburn

Post Office Box 62
Midland, Oregon

Second Party:

Lawrence G. Letterman
Lawrence G. Letterman

Margaret K. Letterman
Margaret K. Letterman

1420 Holly Ave
Los Altos, California

Ret. = Mr. & Mrs. Lawrence Letterman
1420 - Holly Ave
Los Altos, Cal 94022

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of MARGARET K. LETTERMAN
this 17th day of OCTOBER A. D. 1975 at 8:50 o'clock A.M. and
duly recorded in Vol. M75, of MISCELLANEOUS on Page 12917

FEE \$ 12.00

Wm D. MILNE, County Clerk

By Hazel Drayton

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