

WELL AGREEMENT

THIS AGREEMENT, made this 24 day of May, 1981, by and between the MIDLAND COMMUNITY PARK BOARD, hereafter called the Board; GERALD D. WARREN and JANICE J. WARREN, husband and wife, hereafter called the Warrens; and C. A. PITTMAN and ELIZABETH A. PITTMAN, husband and wife, hereafter called the Pittmans,

WITNESSETH:

A.

The Board owns Lots 2 thru 14 and 25 thru 33, inclusive, of Block 6 of Midland, according to the plat thereof on file in the office of the County Clerk of Klamath County, Oregon, which said property is hereinafter referred to as parcel 1. The Board has constructed and maintains a community park and meeting hall on its said property. There is presently located on said Lot 9 a domestic water well and equipment which is owned by the Board and which supplies water to the park and to property owned by the Warrens and the Pittmans. The Pittmans own Lots 15, 16 & 17 of the said Block 6, which said property is hereinafter referred to as parcel 2; and the Warrens own Lots 18, 19, 20, 21 & 22 of said Block 6, which said property is hereinafter referred to as parcel 3.

B.

The Parties, by this Agreement, desire to define the rights and liabilities of the Parties for the use, maintenance and replacement of the said domestic water well and equipment.

C.

Wherefore, in consideration of the premises and covenants of Parties hereafter set forth, it is mutually covenanted and agreed by and between the Parties hereto on behalf of themselves and their respective heirs, grantees, successors and assigns as follows:

1. Use of the water from the said well shall be limited to the property presently owned by the Parties, to-wit, Lots 2 thru 22 and Lots 25 thru 33, Block 6, Midland, according to the official plat thereof on file in the Office of the County Clerk, Klamath County, Oregon. The use of the said well may be extended to other properties in the future upon the express written consent of all of the Parties to the agreement or their successors in interest.

2. The Park Board shall be primarily responsible for the management of the well. Said management responsibilities shall include maintaining an account for the deposit of payments by the parties as set forth below and for the payment of expenses of the well, including monthly utility charges and maintenance and repair expenses; maintaining an accounting of all funds

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which are received and disbursed with respect to the well; and arranging and scheduling any maintenance or repairs which might be required in the future. Provided, however, that prior to making any major repairs or improvements the Board will notify all other parcel owners.

3. In the event that the well should, for any reason, become contaminated so that it no longer provides safe and palatable drinking water, or in the event that the well should, for any reason other than the mechanical failure of the pumping equipment and pressure tank, fail to produce sufficient quantities of water, there shall be no duty on the Parties to make or pay for the work necessary to correct the situation. Provided, however, that if one or more of the Parties desires to do so, they may, at their sole expense, cure the defect. Any Party who does not pay their pro-rata share of the costs of said correction shall not be entitled to receive any water from the well until such time as they have paid their pro-rata share of the actual cost of such correction to the Party(s) who paid for the correction.

4. The Parties shall be solely responsible for the maintenance of the water lines from the well to their respective property. The owner of parcel 1 is solely responsible for maintaining the pipeline from the well to their property and the owners of parcels 2 and 3 are solely responsible for maintaining the pipeline which serves the respective parcels.

5. All costs incurred in maintaining, repairing or replacing the pump, the pressure tank, the pump building, the electrical equipment necessary to operate the pump and pressure tank, and the utility costs shall be paid one-fourth by the owner of parcel 1, one-fourth by the owners of parcel 2, and one-half by the owners of parcel 3. At the time of execution of this Agreement, parcel 1 and parcel 2 shall pay \$10.00 each into the well fund and parcel 3 shall pay \$20.00 into the fund. The Parties shall make a like payment each month thereafter until such time as there is an accumulated balance, after payment of utility and maintenance costs, of \$400.00, at which such time the monthly payments shall be reduced proportionately to an amount equal to the average monthly cost of utility and maintenance costs. If at any time the balance of the well account falls below \$400.00, then the Parties shall increase the amount of their monthly payments to the amounts set forth above and continue to pay the same until such time as the account balance exceeds \$400.00.

6. In the event that one or more of the Parties develops an alternate domestic water source, said Party may withdraw from participation in this Agreement by delivering a recordable written notice of said withdrawal to the other Parties. A Party so withdrawing shall thereafter have no interest in the well and well equipment or in the funds in the well account. A Party who has so withdrawn can participate in the well thereafter only after obtaining the written consent of all of the parties then participating in this Agreement.

7. In the event that the mobile home which is presently located on Lot 18 is removed and not replaced with a use which requires domestic water

from the well, then the monthly payment and the liability for repair costs of parcel 3 shall be reduced to the same proportion and amount as parcels 1 and 2, and thereafter each Party will be liable for one-third of the expense incurred in maintaining and operating the well.

8. The Parties acknowledge that the production capacity of the well is limited and that further increases in the quantity of water produced by the well may not be possible. Therefore, the use of the commercial building located on Lot 15 may not be changed to a use which will increase the quantity of water used on said premise without the prior written consent of the Parties or their successors in interest.

9. This Agreement shall bind and inure to each of said parcels of land and be appurtenant thereto and run therewith.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first herein written.

MIDLAND COMMUNITY PARK BOARD

by Lee O. Witt
its President

by Rachael E. Braden
its Secretary

Gerald D. Warren
Gerald D. Warren
C. A. Pittman
C. A. Pittman

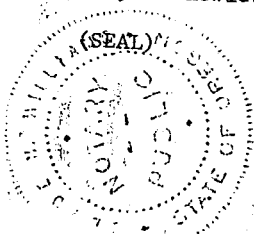
Janice J. Warren
Janice J. Warren

Elizabeth A. Pittman
Elizabeth A. Pittman

STATE OF OREGON)
County of Klamath) SS.

May 24, 1981.

Personally appeared LEE O. WITT and RACHAEL E. BRADEN, who, being sworn, did say that they are the President and Secretary, respectively, of Midland Community Park Board and that the foregoing instrument was signed in behalf of said Board by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed. Before me:

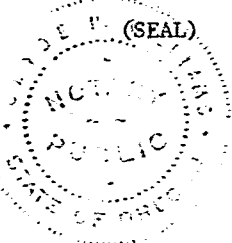


Clyde H. Sullivan
Notary Public for Oregon
My Commission expires: 6/16/84

STATE OF OREGON,)
) SS.
 County of Klamath)

May 26, 1981.

Personally appeared Gerald D. Warren and Janice J. Warren, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



Clyde H. Williams

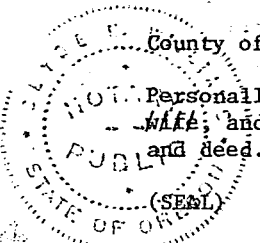
Notary Public for Oregon
 My Commission expires: 6/16/84

Ret:
 Midland Community Park
 Box 40
 Medland, Or. 97634

STATE OF OREGON,)
) SS.
 County of Klamath)

May 26, 1981.

Personally appeared ~~C. A. Pittman~~ and Elizabeth A. Pittman, husband and wife, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



Clyde H. Williams

Notary Public for Oregon
 My Commission expires: 6/16/84

STATE OF OREGON,)
) SS.
 County of Klamath)

FORM NO. 23 — ACKNOWLEDGMENT
 STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 29th day of May, 1981, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named C. A. Pittman

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that his executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Clyde H. Williams

Notary Public for Oregon.
 My Commission expires: 6/16/84

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STATE OF OREGON; COUNTY OF KLAMATH: ss.

I hereby certify that the within instrument was received and filed for record on the

3rd day of June A.D., 1981 at 2:00 o'clock P M., and duly recorded in

Vol M81 of Deeds on page 9932.

Fee \$ 14.00

EVELYN BIEHN
 COUNTY CLERK

By *Debra K. Jones* Deputy