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MTC-14571-L

WELL AGREEMENT

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THIS AGREEMENT entered into this 22 day of February, 1985, between BARBARA J. BAUMGARDNER, hereinafter called "Baumgardner," and ALBERT P. BILKA and JENNIFER BILKA, hereinafter collectively called "Bilkas."

WITNESSETH

A. Baumgardner is the owner of Lot 15, Highland Park, Klamath County, Oregon.

B. Bilkas are the owners of Lots 13 and 14, Highland Park, Klamath County, Oregon. There presently exists on Lot 14 an operating water well which has been used to supply water to Lot 15.

C. The parties desire to enter into an agreement concerning the well.

NOW, THEREFORE, it is agreed as follows:

1. Bilkas will maintain the pump, tank and water line to the property line dividing Lots 14 and 15 in their present condition and will provide electric power to operate the pump.
2. Baumgardner will pay to Bilkas the sum of \$12.50 for each month or any portion thereof that Baumgardner has water from the well, which fees shall be payable quarterly on the last day of each calendar quarter. If, during the time of this agreement, the supplier of electricity to Bilkas shall increase the rate for electricity from its present residential rate of 2.375¢ for the first 300 kw, 4.589¢ for the next 300 kw in summer or 1,000 kw in winter and 4.814¢ for all kws in excess thereof by a percentage greater than 10%, then the monthly rental shall increase by a sum equal to one-half of the increase experienced by Bilkas from the increased rate, each time the cumulative rate increase exceeds 10%. Time is of the essence in this provision and upon 30 days written notice to Baumgardner of her failure to pay the prescribed rental, Bilkas may cease to provide water to Baumgardner and all rights of Baumgardner under this agreement shall permanently cease.
3. Until February 28, 1990, if Baumgardner shall elect or be required by the terms of this agreement to provide an alternate water supply to Lot 15, Bilkas will pay 50% of the cost to Baumgardner of providing the supply up to a maximum contribution by Bilkas of \$750, payable upon completion of the alternate supply and permanent termination of the obligation to provide water under this agreement.
4. If a municipal water source becomes available to Lot 15,

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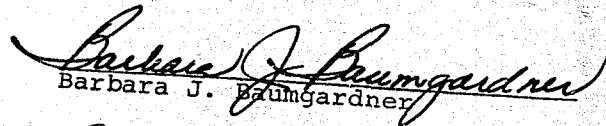
at a cost of hookup only, without assessment for construction of the main line, then at the end of 120 days from the date of availability the obligations of Bilkas shall cease, except that, as provided in paragraph 3, Bilkas' obligation to contribute shall remain according to its terms.

5. If, during the term of this agreement, the existing well shall fail to produce water or the water shall become nonpotable Bilkas shall be under no obligation to repair the well or to dig a new well and the rights and obligations of the parties to this agreement shall permanently cease.

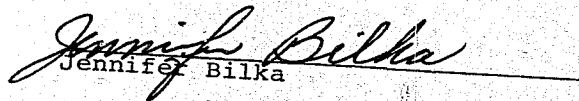
6. If either party shall institute suit arising out of this agreement, the prevailing party shall be entitled to receive from the other such sum as the trial court and/or appellate court may adjudge reasonable as attorney's fees.

This agreement shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, the parties have signed this agreement on the date first written.

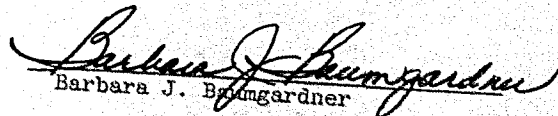

Barbara J. Baumgardner


Albert P. Bilka

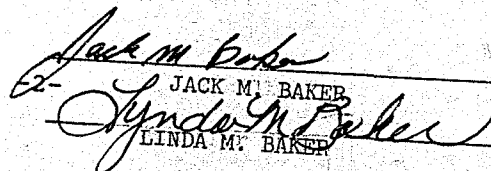
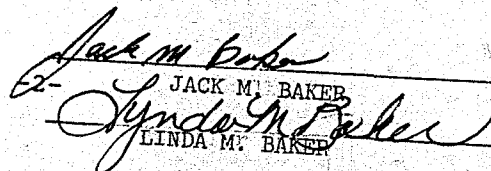

Jennifer Bilka

FEBRUARY 22, 1985

BY MY UNDERSIGNED SIGNATURE I ASSIGN ALL OF MY RIGHT TITLE AND INTEREST TO JACK M. BAKER AND LINDA M. BAKER.


Barbara J. Baumgardner

WE FURTHER ACCEPT THIS ASSIGNMENT AND AGREE TO ABIDE BY ALL OF THE TERMS AS SET FORTH IN THIS AGREEMENT.


JACK M. BAKER

LINDA M. BAKER

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STATE OF OREGON)

County of Klamath)

) ss

Before me, personally appeared BARBARA J. BAUMGARDNER and acknowledged the foregoing instrument was her voluntary act and deed.

John Stelle
Notary Public for Oregon
My Commission Expires: 2/13/85

STATE OF OREGON)

County of Klamath)

) ss

Before me personally appeared ALBERT P. BILKA and JENNIFER BILKA and acknowledged to me that the foregoing instrument was their voluntary act and deed.

John Stelle
Notary Public for Oregon
My Commission Expires: 7/13/85

Ret: MTC

STATE OF OREGON,)
County of Klamath)

Filed for record at request of

on this 22nd day of February A.D. 19 85
at 4:05 o'clock P M, and duly
recorded in Vol. M85 of Deeds
Page 2783

EVELYN BIEHN, County Clerk

By *Ann Smith* Deputy

Fee 13.00