

WHEREAS, James Martin and Margaret Ellen Saigeon hereinafter Martin-Saigeon are the purchasers of

Lot 12, Block 2, Crescent Pines Tract #1052, Klamath County, Oregon hereinafter Lot 12 and;

WHEREAS, Steven and Marla LaVelle hereinafter LaVelle are the Sellers of said Lot 12 and;

WHEREAS there is on Lot 12 a water well together with casing, pump and engine connected therewith and;

WHEREAS Steven and Marla LaVelle in the sale of said Lot 12 reserved an undivided one-half interest to the water well, together with the casing, pump and engine used therewith for the benefit of the adjoining property described as Lot 2, Block 2, Crescent Pines Tract #1052, Klamath County, Oregon, hereinafter Lot 2 and;

WHEREAS Steven and Marla LaVelle and Neil F. and June Hammond hereinafter Hammond are the owners of said Lot 2 and;

WHEREAS LaVelle, Hammond and Martin-Saigeon wish to enter into a well agreement setting out the respective rights and responsibilities of the parties using said well;

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

The owners of Lot 2, LaVelle and Hammond, having an undivided one-half interest in said well shall pay the total sum of thirteen dollars per month to owners of Lot 12, to Martin-Saigeon.

The owners of Lot 12, shall match said thirteen dollars per month payment and administer and manage said funds as follows:

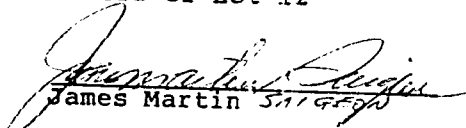
- a) Three dollars out of each thirteen dollar payment shall be paid to the owners of Lot 12, to compensate them for power expenses incurred each month in operating said well.
- b) The remaining ten dollars of each thirteen dollar per month payment shall be deposited by the owners of Lot

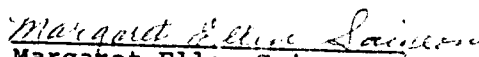
12, into a well maintenance and repair fund until such time as said fund reaches the level of five hundred dollars at which time the three dollar per month payment for power shall continue but the ten dollar payment to the repair and maintenance fund will abate and no longer be required until such time as the repair and maintenance fund described above shall drop below the level of five hundred dollars. When said fund drops below the level of five hundred dollars the ten dollar per month payment described above shall be reinstated until said repair and maintenance fund again reaches the level of five hundred dollars at which time said payment shall again abate.

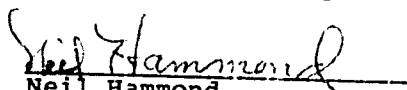
- c) In the event that the owners of Lot 2 or of Lot 12 determine that repair or maintenance on said well is needed, they shall inform the other lot owner in writing of the proposed repairs. If the lot owners agree, one vote for each of lot, then the owners of Lot 12, shall contract for said repair or maintenance and pay for the same out of the repair and maintenance fund. If the lot owners cannot agree, one vote for each lot, then the owners of each lot shall select one arbitrator. The two arbitrators so selected shall in turn select a third arbitrator. The three arbitrators by majority vote, one vote for each arbitrator, shall determine for the lot owners whether or not the requested repair and maintenance shall be performed. If the arbitrators determine that said repair or maintenance shall be performed then the owners of Lot 12 shall contract for said repair or maintenance and pay for the same out of the repair and maintenance fund.

This agreement shall be binding on each of the parties hereto as well as on their heirs successors and assigns.


Owners of Lot 12


James Martin 5/11/88

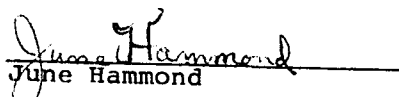

Margaret Ellen Saigeon


Neil Hammond

Owners of Lot 2


Steven LaVelle


Marla LaVelle


June Hammond

15439

STATE OF OREGON)
County of Deschutes) ss.

Personally appeared this 26 day of August,
1986, the above named James Martin and acknowledged the foregoing
instrument to be his voluntary act and deed.

Before me:

James A. Hickson
Notary Public for Oregon
My Commission expires: 7/16/87

STATE OF OREGON)
County of Deschutes) ss.

Personally appeared this 26 day of August,
1986, the above named Margaret Ellen Saigeon and acknowledged the
foregoing instrument to be her voluntary act and deed.

Before me:

James A. Hickson
Notary Public for Oregon
My Commission expires: 7/16/87

STATE OF OREGON)
County of Deschutes) ss.

Personally appeared this 26 day of August,
1986, the above named Steven LaVelle and acknowledged the
foregoing instrument to be his voluntary act and deed.

Before me:

James A. Hickson
Notary Public for Oregon
My Commission expires: 7/16/87

STATE OF OREGON)
County of Deschutes) ss.

Personally appeared this 26 day of August,

Well Agreement - 3
RE1/Hardyl

15440

1986, the above named Marla LaVelle and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:

Glenn A. Hickson
Notary Public for Oregon
My Commission expires: 7-16-87

STATE OF OREGON)
) ss.
County of Deschutes)

Personally appeared this 20th day of August, 1986, the above named Neil Hammond and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

Idris N. Hughes
Notary Public for Oregon
My Commission expires: 5-17-87

STATE OF OREGON)
) ss.
County of Deschutes)

Personally appeared this 20th day of August, 1986, the above named June Hammond and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:

Idris N. Hughes
Notary Public for Oregon
My Commission expires: 5-17-87

Return to: Bend Title Company
P.O. Box 752
Bend, Oregon 97709

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REL/Hardyl

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of August A.D., 19 86 at 10:42 o'clock A M., and duly recorded in Vol. 186
of _____ Deeds on Page 15437

FEE \$17.00

Evelyn Biehn, County Clerk
By Sam Smith