

Aspen Title #01031915
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EASEMENT AND WATER DELIVERY AGREEMENT

WHEREAS, MARION W. GRUVER, hereinafter called "Gruver", is the owner of that certain property set forth and specifically described in Exhibit "A" attached hereto, which property is hereinafter called the servient estate, and

WHEREAS, American Savings & Loan Association (a Federal Association), dba Willamette Savings and Loan Association, hereinafter called "Willamette" is the owner of that certain real property set forth in Exhibit "B" attached hereto, which property is hereinafter called the dominant estate, and

WHEREAS, it is the intent of the parties that Willamette shall be entitled to utilize that well presently existing upon the property owned by Gruver.

NOW, THEREFORE, it is agreed as follows

1. Willamette's use of the pump, well and water therefrom shall not be such as to interfere with the use of such well and water therefrom by the servient estate. Willamette may only use water from the well for domestic purposes to benefit the single family residence located on the Willamette Property.
2. Gruver does not guarantee the adequacy, continuity or amount of water to be delivered to Willamette.
3. As consideration for the granting of the right to use the water from such well, Willamette agrees to be responsible for one-half of all costs incurred in connection with the maintenance and operation of such well and pump and other like expenditures necessary to enable the parties hereto to utilize the water from the well. In this regard, the parties expressly acknowledge that Willamette alone shall be responsible for all costs incurred in connection with the repair, disconnect and maintenance of the pipeline to the dominant estate property, and in connection therewith shall minimize any damage or interference with

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Gruver's use of the servient estate property. For long-term capital expenditures for such well or pump, such as a pump replacement, Willamette's share of such expense will be prorated using a straight-line method of determining useful life of the repair or replacement and the remaining term of this Agreement. For example, if the capital expenditure has a useful life of 5 years and there is one year remaining on this Agreement, Willamette would pay one-tenth of the cost of the expenditure.

4. In the event Willamette or any of its successors digs a well on the dominant estate property capable of supplying water for the needs of the then owners of the dominant estate property, Willamette or its successors shall execute and deliver to Gruver, or her successors, any and all documents necessary to terminate the right and interest of the dominant estate property in the servient estate property. Any expense incurred in connection with this cancellation and reconveyance shall be the responsibility of the then owners of the dominant estate property.
5. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns and shall be construed in a manner so as to perpetuate the intent of the parties, to-wit: to allow the dominant estate to utilize water from the well presently located upon the servient estate.
6. This Agreement shall be effective on July 1, 1988 and shall terminate on June 30, 1990 unless extended by written agreement of the owners of the servient and dominant estates.
7. This Agreement is intended to replace and ^{*eliminate mws*} ~~amend~~ the Well Agreement including the terms and provisions thereof, dated June 18, 1978, recorded June 19, 1978 in Book M78 at page 13001, Microfilm Records, between Marion W. Gruver and Stephen D.

Morgan and Valerie J. Morgan relating to the use of a well and pump.

8. In the event suit or action is initiated to enforce any of the terms of this Agreement, the prevailing party or parties shall be entitled to recover from the other party such sums as the court may adjudge as reasonable attorneys fees at trial, on appeal, or in bankruptcy in addition to all other sums provided by law.

EXECUTED this 13 day of July, 1988.

Marion W. Gruver
Marion W. Gruver

AMERICAN SAVINGS AND LOAN ASSOCIATION,
(a Federal Association), dba Willamette
Savings and Loan Association

By: [Signature]

Title S.V.P.

STATE OF CALIFORNIA OREGON)
County of Klamath) ss

On this 13th day of July, 1988, before me personally appeared MARION W. GRUVER, who, being duly sworn did acknowledge the foregoing to be her voluntary act and deed.

[Signature]
Notary Public for California Oregon
My Commission expires: 3-22-89

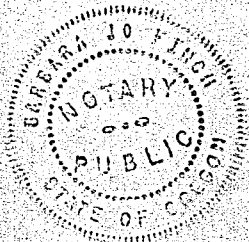
STATE OF OREGON

County of Multnomah

)
) ss
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On this 24th day of June, 1988, before me personally appeared Douglas G. Greybi, who, being duly sworn did say that he is the Senior Vice President of American Savings and Loan Association (a Federal Association) dba Willamette Savings and Loan Association, and that the foregoing instrument was signed in behalf of said Association by authority of its Board of Directors, and acknowledged that said instrument is the free act and deed of said Corporation.



Barbara Jo Finch
Notary Public for Oregon
My Commission expires: 9/28/91

EXHIBIT A

The Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 32, Township 37 South, Range 11 East of the Willamette Meridian, and the East 100 feet of the Northwest 1/4 of the SE 1/4 of the SE 1/4, Sec. 32, T37S, R11EWM, and the North 100 feet of the SE 1/4 of the SE 1/4 of the SE 1/4 Sec. 32, T37S, R11EWM, and the East 150 feet of the South 30 feet of the SW 1/4 of the SE 1/4 of the SE 1/4 of Sec. 32, T37S, R11EWM, all in Klamath County Oregon.

Less and except the following:

Commencing at the Southeast corner of Section 32 and running along the easterly section line, North $00^{\circ}12'42''$ West 563.25 feet to the Point of Beginning; thence running North $89^{\circ}35'57''$ West 280.67 feet; thence North $00^{\circ}15'10''$ West 155.16 feet; thence South $89^{\circ}35'57''$ East 280.78 feet to the easterly line of Section 32; thence South $00^{\circ}12'42''$ East 155.16 feet to the Point of Beginning

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EXHIBIT B

A parcel of land in the East one-half of the East one-half of the Southeast one-quarter of the Southeast one-quarter of Section 32, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon; more particularly described as follows:

Beginning at a point on the easterly section line of Section 32, said point being North 00°12'42" West 131.89 feet from the Southeast corner of Section 32; running thence North 89°29'55" West 330.36 feet; thence North 00°15'10" West 430.78 feet to a parcel of land owned by Marion W. Gruver; thence along these lands of Gruver, South 89°35'57" East 50.00 feet; thence North 00°15'10" West 155.16 feet; thence South 89°35'57" East 280.78 feet to the easterly line of Section 32; thence along said section line, South 00°12'42" East 586.51 feet to the Point of Beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co.
of July A.D., 1988 at 3:05 o'clock P. M., and duly recorded in Vol. M88
of Deeds on Page 11141

FEE \$33.00

Evelyn Biehn
By Pauline Mullendore County Clerk

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Return: Aspen Title Co.