

GRANT OF EASEMENT AND WELL MAINTENANCE AGREEMENT

This Agreement is made this 12th day of May, 1989, between SHIELD CREST, INC. an Oregon Corporation, herein referred to as "Grantor", and Bruce T. Owens and Linda Heider-Owens, of Klamath Falls, Oregon herein referred to as "Grantees."

1) Grantor is the owner of Lots 10 and 11, Block 3, Tract 1172, SHIELD CREST, Klamath County, Oregon.

2) As of May 12, 1989, The Grantor is deeding Lot 11 as described above to Grantees, Bruce T. Owens and Linda Heider-Owens.

3) There is a water well located on the above described Lot 11.

_____, Shield Crest. It is the intent of the parties hereto that said Lot(s) 10, 11 and 12, Block 3, shall have equal rights to withdraw water from said well for use on the above described lots and that the owner(s) of each said lot shall pay one-third of the cost of maintaining the said well and well casing.

Therefore, in consideration of the sum of \$10.00, receipt of which is hereby acknowledged, and subject to the conditions set forth in this instrument:

1) Grantor does hereby grant, sell and convey to Grantees an undivided one-third ownership of the above described well and conveys to grantees the right to take water from said well and to convey such water from the well to Grantees' above-described property by pipe; and

2) Grantor hereby further grants to Grantees an easement across the _____ northerly 10 feet of Lot 11 _____ and to the well located on _____ Lot 11 for the installation, maintenance and repair of Grantees' water delivery system. Said easement shall be perpetual and run with the ownership of the lots described above.

It is mutually covenanted and agreed by the parties on behalf of themselves and their respective heirs, successors, grantees and assigns as follows:

A. Grantees, their heirs, grantees and assigns, shall be solely responsible for the maintenance, repair and replacement of the pump, pipes, and other equipment which serve their said property and shall repair or pay for, at their sole expense, any damage done to Grantor's said premises in such maintenance, repair and replacement, and shall pay one-third of all future costs of maintenance, repair, replacement and improvement of the well and well casing.

B. Grantor, its successors, grantees and assigns, shall be solely responsible for the maintenance, repair and replacement of the pump, pipes and equipment which serve its said property and shall repair or pay for, at its sole expense, any damage done to Grantees' said premises in such maintenance, repair and replacement, and shall pay two-thirds of all future costs of maintenance, repair, replacement and improvement of the well and well casing.

Provided, however, that the parties acknowledge that Grantor intends to sell its said lots and that at the time of sale of its lots Grantor shall require the purchaser(s) of said lots to sign and record a Grant of Easement and Well Maintenance Agreement containing terms and conditions substantially the same as this Agreement. At such time as Grantor has sold its said lots and the Well Agreements have been recorded, Grantor shall have no further liability for the performance of the Agreement.

C. The parties interest in the water from said well is limited to supplying water for domestic and irrigation use on the above described lots.

D. In the event that any repair or replacement of the well or well casing or one or more of the pipes in the well, the parties expressly agree to cooperate

fully in allowing said repair or replacement to be made as soon as the necessary equipment, equipment operator and supplies can be obtained to make such repair or replacement. The parties further agree to pay for or to arrange for the payment of their respective share of the costs of said repair or replacement as soon as is reasonably possible.

E. In the event that any owner of either of said parcels of land shall at any time hereafter institute any suit, action or proceeding to enforce any of the covenants or agreements herein contained and/or for damages for the breach of the same, the Courts, including Appellate Courts, shall award the prevailing party in such a suit, action or proceeding such sums as it may adjudge reasonable for said disbursements provided by law.

F. 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.

Shield Crest, Inc.

by Robert E. Cheyne
its President

Bruce T. Owens
Bruce T. Owens

by Helen J. Cheyne
its Secretary

Linda Heider-Owens
Linda Heider-Owens

STATE OF OREGON, County of Klamath) ss.

Personally appeared the above-named BRUCE T. OWENS AND LINDA HEIDER-OWENS and acknowledged the foregoing instrument to be their voluntary act and deed.

Dated before me this 12th day of May 1989

(SEAL)

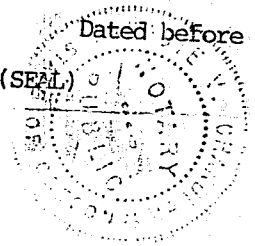
Daniel D. Chandler
NOTARY PUBLIC FOR OREGON
My Commission Expires: 7-6-90

STATE OF OREGON, County of Klamath) ss.

Personally appeared the above-named Robert E. Cheyne, President and Helen J. Cheyne, Secretary, and acknowledged the foregoing instrument to be the voluntary act and deed of Shield Crest, Inc.

Dated before me this 12th day of May 1989

(SEAL)



Daniel D. Chandler
NOTARY PUBLIC FOR OREGON
My Commission Expires: 7-6-90

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 15th day of May A.D. 19 89 at 2:39 o'clock P. M., and duly recorded in Vol. M89 of Deeds on Page 8341.

FEE \$13.00

Evelyn Biehn
By Daniel D. Chandler County Clerk