Return Grantor:

East Cascade Properties, Inc.

P.O. Box 214

Klamath Falls, OR 97601

AGREEMENT FOR SHARED WELL AND GRANT OF EASEMENTS

This agreement for Shared Well and Grant of Easements is by and between East Cascade Properties, Inc., hereafter "Grantor" and "Grantee";

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Recitals:

Grantor owns property formerly known as tax lot 300, map 3909-5CC, more specifically described on exhibit A attached hereto, the "Property" hereafter;

Grantor has completed a minor land partition to create two parcels from the Property, to be known as Parcel 1 and Parcel 2, Partition Plat 34-94, Klamath County, Oregon;

A well located on the Property is now located on parcel 2 and is to provide water for both parcels and it is necessary to provide an agreement for use of the water by the future owners of the parcels and repair and maintenance easements for access for maintenance, repair and installation of pipes and electric lines;

Now, therefore, the parties agree as follows:

- 1. <u>Definitions:</u> Certain terms used throughout this agreement are defined as follows:
- a. The "well" is the drilled hole and the casing,
- b. The well accessories are the pumps, electrical and plumbing fixtures, pressure tank, if any, and lines and fittings from the well to the control and distribution lines.
- c. "Easement" is a non-exclusive, perpetual easement granted herein for the owners to enter onto Parcel #2 to install maintain and repair the well and distribution lines and to protect the well.
- d. "Water" is the water from the well.
- e. "Parcels" refers to parcels 1 and 2 of the minor land partition 34-94, Klamath County, Oregon.
- f. "Owners" refers to the owners of the parcels, current and future.
- g. "Distribution lines" are those water pipe lines serving each parcel from the well to the individual parcels.

- 2. <u>Grant of easement:</u> Grantor does hereby grant, bargain, sell and convey to Grantee the easement for the benefit of each parcel on the following terms.
- a. The easement is for the benefit of parcels 1 and 2, which are the dominant estates. Parcels 1 and 2 are also the servient estates.
 - b. The easement is appurtenant to parcels 1 and 2.
- c. The easement shall be 10 feet in width, the centerline of which is the actual location of the electric and distribution lines running from the well to parcels 1 and 2 and the easement shall also be circular in shape and 20 feet in diameter with the well as the center.
- 3. Sharing Expenses: The owners shall share equally the expenses of maintenance and repair of the well. Unless an emergency occurs, the owners shall consult with each other to determine what necessary maintenance and repair shall be done prior to having the work done. In case of emergency, any owner may contract for maintenance or repair. Such owner shall thereafter notify the other owners and furnish them a copy of the invoice for such repairs. Such other owners shall then pay their one-half share within 20 days.

Each owner shall individually bear the expense of maintenance and repair of the well accessories and distribution line serving the owner's parcel.

3b. Sharing Electric Expense: The electricity for the pump for the well shall be supplied from the house on parcel 1. The owners shall each pay one-half of the electric bill each billing period beginning with the month in which water from the well is first delivered to the parcel of an owner. At the outset, only the house on Parcel 1 will be served by the well and therefore, the owner of Parcel 1 shall pay the entire electric bill. It is agreed that one-half of the electric bill for the pump is \$3.50 per month and therefore, the owner of Parcel 2 shall pay \$3.50 per month to the owner of parcel 1 when water is first supplied to Parcel 2.

The owners shall meet annually to determine the electric charge for the ensuing year.

- 4. <u>Use of Water:</u> Each owner is entitled to an equal amount of water for use on each owners lot. The first priority for water use shall be for domestic use in the residence, then for landscape and lawn and then for garden and other uses. If the well fails to produce sufficient water for all uses of all owners then the owners shall allocate the water among them on the ratio above.
- 5. Alternate Source of Water: The owner of either parcel may choose to drill a separate well or otherwise obtain water instead of from the shared well. In that event, said owner may (but shall not be required to) terminate this agreement and easement, as it benefits said owner's parcel, by: 1) giving the other owner written notice 10 days in advance; 2) executing and recording in the official records of Klamath County, Oregon a quit claim deed to that effect; and 3) disconnecting the distribution line from the well to said owners parcel.

The said termination shall not effect in any way the rights of the other owner to use the well and receive water therefrom.

- 6. Arbitration: The owners shall use arbitration to resolve any disagreement between them arising out of this agreement. The provisions of ORS (Oregon Revised Statutes) 36,300 et. Seq. As now written and hereafter amended shall control. Any owner may invoke arbitration by giving written notice thereof. Within 10 days thereafter, each owner may appoint an arbitrator. The arbitrators so appointed shall select another arbitrator. Thereafter, that panel of arbitrators shall conduct the arbitration and render an award.
- 7. Binding effect; This agreement and grant of easement shall be binding upon and inure to the benefit of each party hereto and each party's heirs, successors and assigns.

Executed this /2 day of March 1996. GRANTOR and GRANTEE:
East Cascade Properties, Inc.'
Duane W. Smith, President
State of Oregon County of Klamath
This instrument was acknowledged before me on Murch 12, 1996 by Duane W. Smith, Grantor and Grantee herein.
USA LEGGET - WEATHERBY WOTARY PUBLIC - OREGON COMMISSION NO. 049121 MY COMMISSION EXPIRES NOV. 20. 1999 EXHIBIT A

PROPERTY

Parcel 1 and Parcel 2 of Land Partition 34-94 filed September 7, 1994 being situated in the swa swa of Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, ORegon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.				
Filed for record at request of _		East Cascade Properties 12th	day	
of	March of	A.D., 19 96 at 1:35 o'clock P M., and duly recorded in Vol. M96		
FEE	\$40.00	Bernetha G. Letsch, County Clerk By		