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699 JUL 26 PM 2:39

Creation of Irrigation and Pump easement

THIS AGREEMENT AND DECLARATION is made by and between BILLY G. MANN, TRUSTEE OF THE BILLY G. MANN SECOND TRUST DATED AUGUST 6, 1990, herein referred to as the "Second Trust" and BILLY G. MANN, TRUSTEE OF THE BILLY G. MANN TRUST DATED JUNE 12, 1987, herein referred to as the "1987 Trust."

WHEREAS, the Second Trust owns the North Parcel as described in Exhibit "A" attached hereto and the 1987 Trust owns the South Parcel as described in Exhibit "A" attached hereto;

WHEREAS, there is located on South property a certain 10 horse power pump located along the B-1 lateral canal where said canal turns from running east to running south. Said pump is presently being used to irrigate South Parcel;

WHEREAS, the parties wish to establish an agreement and easement between the parties to allow irrigation water to be delivered from this pump site to the North and South Parcels.

CREATION OF WELL EASEMENT:

The following is declared and agreed to be restrictions and benefits on the title to the North Parcel and to the South Parcel and to run with the land:

The owner of the North Parcel may locate on South Parcel a delivery pipe line through the existing pipe culvert under the driveway located on South Parcel and continuing northerly to North Parcel.

A mutual easement is created and granted for the use of said pump and electrical panel for the mutual benefit of both North Parcel and South Parcel. Expenses of pump, suction line, and electrical panel maintenance is to be shared equally between owners of the two parcels. A nonexclusive easement is created to be in favor of North Parcel for water delivery pipe line through the existing pipe culvert under the driveway located on South Parcel and continuing northerly to North Parcel. South Parcel is burdened with easements for such maintenance on the pump, electricity delivery and said water delivery line. Notwithstanding such easements, the owner of North Parcel shall not enter into or under the residence on South Parcel without first obtaining permission from owner of South Parcel to so enter; owner of South Parcel shall not unreasonably withhold such permission, but may put reasonable restrictions on such entry.

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Owners of North Parcel shall be responsible for all costs associated with water delivery lines from said pump to North Parcel, unless damage is caused by the negligence of owners, business invitees, tenants or agents of the owners of South Parcel.

Owners of South Parcel shall be responsible for all costs associated with water delivery lines from said pump to South Parcel, unless damage is caused by the negligence of owners, business invitees, tenants or agents of the owners of North Parcel.

It is agreed that restrictions on such easements shall be for water delivery for irrigation or other purposes allowed by the jurisdiction of the Klamath Irrigation District and United States Bureau of Reclamation over the delivery of such water.

The owner of South Parcel shall pay utility charges for running said pump and the owner of North Parcel shall pay 1/2 of the utility charges to the owner of the South parcel within 7 days of the delivery of copy of the utility bill. In the event that such amount is not made by said date, then a penalty of \$1.00 shall be added to such payment owing. In the event that either party disputes the fairness of the such amount based upon use, and if the parties are unable to agree on modification of such amount, then the amount of payment may be presented to arbitration as set forth below; until the modification is resolved, the monthly payment amount shall remain at such 1/2 of the charges until final resolution. Notwithstanding other provisions herein, enforcement of the payment of the obligation shall not be subject to terms of arbitration.

It is agreed that the owner of the North Parcel may terminate this agreement at any time by first delivering notice to the owners of South Parcel and by causing to be recorded document that shall clear this agreement of record.

The parties agree to cooperate and sign any and all documents in the future to effectuate the terms of this agreement.

In the event of dispute, water delivery shall continue, if possible, pending resolution of such dispute.

In the event that a dispute arises as regards the subject matter of this agreement the parties agree to submit such dispute to arbitration where each party appoints one arbitrator and those two arbitrators choose a third. The three arbitrators shall decide the resolution of said dispute, and the parties shall be bound thereby. The costs of arbitration shall be borne equally by the parties. The parties may agree to other forms of arbitration.

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This agreement shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, personal representatives, successors in interest, tenants and assigns as well. This agreement shall run with the land.

Subject to arbitration as above set out, if suit or action is instituted to enforce any of the provisions of this Contract, the party prevailing therein shall be entitled to recover from the other such sum as the Court may adjudge reasonable as attorney's fees therein, including any appeal thereof.

Withdrawal of the rights and obligations of the respective premises or the inclusion of additional premises shall be effective only upon written consent of all parties to this Agreement, or their successors, and upon such terms that are mutually agreeable.


IN WITNESS WHEREOF, the parties have hereunto set their hands this 22 day of July, 1999.


BILLY G. MANN, TRUSTEE OF THE
BILLY G. MANN SECOND TRUST DATED AUGUST 6, 1990


BILLY G. MANN, TRUSTEE OF THE
BILLY G. MANN TRUST DATED JUNE 12, 1987

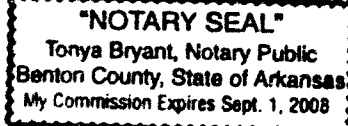
STATE OF Arkansas
County of Benton] ss.

Personally appeared before me the above named Billy G. Mann, and acknowledged the above instrument to be his voluntary act and deed for himself and on behalf of THE BILLY G. MANN SECOND TRUST DATED AUGUST 6, 1990.


Notary Public for _____
My Commission expires:
Sept 1, 2008

STATE OF Arkansas
County of Benton] ss.

Pump Agreement.
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Personally appeared before me the above named Billy G. Mann, and acknowledged the above instrument to be his voluntary act and deed for himself and on behalf of THE BILLY G. MANN TRUST DATED JUNE 12, 1987.



Notary Public for _____
My Commission expires:

Sept. 1, 2008

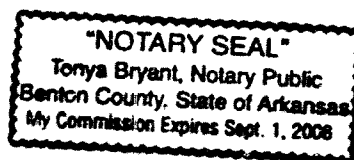


EXHIBIT "A"

State of Oregon, County of Klamath
 Recorded 7/26/99, at 2:39 p. m.
 In Vol. M99 Page 29698
Linda Smith,
 County Clerk Fee\$ 30-00

29702**North Parcel:**

A parcel of land situated in the Northwest quarter of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Commencing at a bolt at the intersection of the centerlines of Reeder Road and Short Road, county roads, and marking the Southwest corner of said Northwest quarter; thence South 89° 59' 50" East along the South line of said Northwest quarter, 30.00 feet to the Easterly right-of-way line of said Reeder Road; thence North 00° 21' 40" East along said right-of-way line, 158.56 feet to the point of beginning for this description; thence continuing North 00° 21' 40" East along said right-of-way line, 142.76 feet; thence North 89° 56' 43" East, 1307.05 feet to a 5/8 inch iron pin; thence South 00° 17' 02" West along the East line of the Southwest quarter Northwest quarter, 143.42 feet to a 1/2 inch iron pin; thence South 89° 58' 27" West, 1307.24 feet to the point of beginning.

South Parcel:

A parcel of land situate in the South half of Southwest quarter of Northwest quarter of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Commencing at the Southwest corner of the Northwest quarter of said Section 20; thence North 00° 21' 40" East along the West line of said Section 20, 301.29 feet; thence leaving said West line North 89° 56' 43" East 35.00 feet to the Easterly right of way line of the County Road and the point of beginning of this description; thence continuing North 89° 56' 43" East 1302.05 feet; thence South along the East line of said South half of Southwest quarter of Northwest quarter to the Southeast corner thereof; thence West along the South line of said South half of Southwest quarter of Northwest quarter to the Easterly right of way line of said County Road; thence North along the Easterly line of said County Road to the point of beginning of this description.

EXCEPTING THEREFROM a parcel of land situated in the Northwest quarter of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Commencing at a bolt at the intersection of the centerlines of Reeder Road and Short Road, county roads, and marking the Southwest corner of said Northwest quarter; thence South 89° 59' 50" East along the South line of said Northwest quarter, 30.00 feet to the Easterly right-of-way line of said Reeder Road; thence North 00° 21' 40" East along said right-of-way line, 158.56 feet to the point of beginning for this description; thence continuing North 00° 21' 40" East along said right-of-way line, 142.76 feet; thence North 89° 56' 43" East, 1307.05 feet to a 5/8 inch iron pin; thence South 00° 17' 02" West along the East line of the Southwest quarter Northwest quarter, 143.42 feet to a 1/2 inch iron pin; thence South 89° 58' 27" West, 1307.24 feet to the point of beginning.