

Return:

- Colleen Garrett

P.O. Box 8181

Klamath Falls, Oregon 97602

1999 AUG -2 PM 2:42

Vol M99 Page 30776

WELL AGREEMENT

THIS AGREEMENT made this ____ day of February, 1999 between Colleen Rambo Garrett and Michelle Harper, both hereinafter referred to as Seller and Charles R. Medill, Erik Olson and Paul Lee, hereinafter collectively referred to as Buyer.

RECITALS

1. Seller is the owner of a parcel of real property located in Klamath County, Oregon, and more fully described as:

PARCEL 1:

That portion of that tract of land described in Volume 171, page 86 of Deed Records of Klamath County, Oregon, lying North of the following described line:

BEGINNING at a 5/8" iron rod on the Easterly right-of-way line of Algoma Road (Old Dalles-California Highway), from which the Northeast corner of Section 7, Township 37 South, Range 9 East, Willamette Meridian, Klamath County, Oregon bears North 83 25'56" East, 2619.29 feet; thence South 89 05'36" East, 400.61 feet to a 5/8" iron rod; thence South 38 14'11" East, 102.2 feet to a 5/8" iron rod; thence East, 818.4 feet, more or less, to a point on the Easterly line of the Northwest one-quarter of the north-east one-quarter of Section 7.

EXCEPTING therefrom that tract of land described in Volume M-76, page 8749 of Deed Records of Klamath County, Oregon.

This property civilly described as 16093 and 16139 Algoma Road, Klamath Falls, Oregon.

2. Charles R. Medill, Erik Olson and Paul Lee each own an interest in the parcel of real property, located in Klamath County, Oregon and more fully described as:

A parcel of land situated SW 1/4 of the SE 1/4 of Section 6 and the NW 1/4 of the NE 1/4 of Section 7 T 37 S, R9 E.W.M., Klamath County, Oregon, more particularly described as thus:

Beginning at Brass Cap to corner of Section 6, 5, 7 and 8 thence South 2218.6 feet; thence West 934.1 feet to Iron Pin (Survey #1056); thence N36 59'30" West 421.9 feet to 1/2" Iron Pipe. Thence N27 27'07" West 917.7 feet to 1/2" Iron Pin (Survey #1107). Thence N27 27'07" West 164.2 feet to a point; thence N36 42'37" West 581.5 feet to a point; thence N17 42' West 787.8 feet to 5/8" Iron Rebar which is the true point of beginning.

Thence northerly along the easterly right of way of Old Highway 97, which is now the County Road a distance of 330.5 feet more or less to a 5/8" Iron Rebar; thence N85 59' East 82.1 feet to a 5/8" Iron Rebar; thence S18 07' 30" East 361.5 feet to a 5/8" Iron Rebar; thence N87 37' 30" West 182.7 feet to a point of beginning.

This property is civilly described as 16161 Algoma Road, Klamath Falls, Oregon.

3. Seller and Buyer's above described properties are contiguous to each other and share a common boundary. Seller's property is immediately south of Buyer's property on Algoma Road.

4. Seller has developed and now owns a cold water well approximately 800 feet in depth and not less than 6" in diameter. The well is located on the northerly boundary of Seller's real property described above.

5. Buyer, Charles R. Medill, has previously financially assisted the Seller in developing the well and both the Buyer and Seller's properties currently use water from the well for both domestic and agricultural purposes

6. The Buyer and Seller wish to formalize their agreement with respect to the rights and responsibility affecting their joint use of the well; now, therefore,

THE PARTIES AGREE THAT;

SECTION ONE

DESCRIPTION OF PROPERTY TRANSFERRED

In consideration of the financial assistance rendered by the Buyer to the Seller and in consideration of the mutual terms and conditions contained in this agreement, Seller hereby sells to the Buyer and Buyer hereby purchases from the Seller:

a) An undivided one-half interest in Seller's six inch cold water well located on Seller's property at 16149 Algoma Road, Klamath County, Oregon, which well is more fully described above; and

b) An undivided one-half interest in the casing and down-hole line and fittings used in connection with the well; and

c) A perpetual right and easement for ingress and egress to the well from Buyer's property for the purpose of maintaining, repairing or replacing connecting pipes which serve the Medill property. The easement shall include the right to access to the well and to go upon the Seller's property for the installation and maintenance of such pipes as are required to

convey water from said well in a direct line running from the well to the nearest practical access point on Buyers property.

SECTION TWO

INSTALLATION AND MAINTENANCE

The well shall be connected with Buyer's water system by subsurface pipes laid along the easement described above. The subsurface pipes shall run in a direct line from the well to the nearest practical access point on Buyer's property. Buyers agree to remedy any damage done to seller's property or landscaping caused by the excavation for and the installation or maintenance of such pipes. Buyer agrees to install at it's expense any pipes, valves or connections necessary to deliver water from the well to Buyer's premises.

The well is currently connected to Buyer's domestic water system utilizing a pump, pressure tank, electrical connection and pump house located on Seller's property. The Buyer shall be entitled to use the pump and pressure tank on Seller's property from the execution of this agreement until August 30, 1999 at which time the Buyer's right to use the pump, pump house, pressure tank and electrical connection on Seller's property shall cease. It is understood and agreed between the parties to this agreement that prior to August 30, 1999 that the Buyers will erect a pump house, above ground pump, pressure tank, electrical connection and such other mechanism as may be necessary to draw water from the well on Buyer's own property.

Each of the parties agree to be responsible for maintaining the delivery lines from the well to their respective properties. The parties further agree that all the maintenance costs of the well, casing and pipe within the well shall be shared equally. In the event that any repair or replacement of the well or well casing is required, the parties expressly agree to cooperate fully in making this repair or replacement to insure that the necessary equipment, operator and supplies can be obtained to make repair or replacement as soon as practical. The parties further agree to pay for or to arrange for the payment of their respective shares of the costs of such repair or replacement as soon as is reasonably possible.

SECTION THREE

WARRANTY

The parties recognize that the water which is produced in a cold water well, such as is the subject of this agreement, is the product of a natural phenomenon and that accordingly neither party has any substantial control over the resource. Each party agrees to cooperate fully with the other, to maximize the beneficial use and enjoyment of the well by all parties to the

agreement. The sale of the interest in the well as aforesaid is made by Seller to Buyer on an "as is" basis. Seller makes no representation or warranties of any kind regarding the well, including but not limited to: Guarantees about the serviceability, duration, temperature or quality of the well or the water therein. Buyers agree to rely exclusively upon their own inspection and upon the inspection of consultants retained by Buyers to determine the current actual condition of the well.

SECTION FOUR

It is the intention of the parties that the well which is the subject of this agreement shall be used by the parties to supply the respective single-family dwellings of each of the parties with water for domestic use and other water requirements. If there is insufficient water from the well for both domestic and agricultural purposes, domestic use shall take priority. Neither party shall expand the use of the well and water, other than as set forth without the consent of the other. The consent of both parties shall, however, be readily given to contemplated expanded uses so long as the serviceability of the well and water produced therein, is not impaired by such expanded use. In no event, however, shall any expanded use of the well occur off the respective parcels of the parties described above.

SECTION FIVE

ASSIGNMENT

This agreement shall bind and inure to each of the parcels of land described above, be appurtenant thereto and run therewith. The agreement shall bind the heirs, successors and assigns of each of the parties.

SECTION SIX

GOVERNMENT APPROVAL

This agreement may be subject to the approval of regulatory bodies of the State of Oregon or of the United States of America. If such approval is required and one or more agencies does not approve this agreement, then Seller may at Seller's option rescind the contract.

SECTION SEVEN

ATTORNEY'S FEES

In the event that any owner of either of the said parcels of real property described herein, shall at any time hereafter, institute any suit, action or proceeding to enforce any of the covenants or agreements contained herein or for damages for the breach of same, then, and in that event, the courts in which

such proceedings are instituted may award the prevailing party in such suit, action or proceeding, such sum as it may adjudge reasonable for said prevailing party's attorney's fees, costs and disbursements incurred herein.

SECTION EIGHT

REPRESENTATION

This agreement has been prepared by Gary L. Hedlund as attorney for the Seller. Buyers are advised to seek independent legal counsel prior to signing this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in triplicate as of the day and year described above.

Colleen Rambo Garrett
Colleen Rambo Garrett

Charles R. Medall
Charles R. Medall

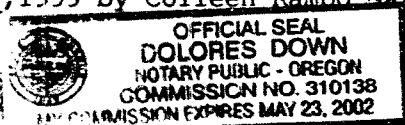
Michelle Rambo Harper
Michelle Harper

Erick Olson
Erick Olson

Paul Lee
Paul Lee

STATE OF OREGON)
) ss.
County of Klamath)

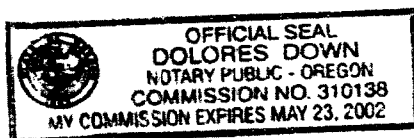
This instrument was acknowledged before me on March
15, 1999 by Colleen Rambo Garrett.



Dolores Down
NOTARY PUBLIC FOR OREGON
My Commission expires: 5-23-2002

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on March
4, 1999 by Michelle Harper.

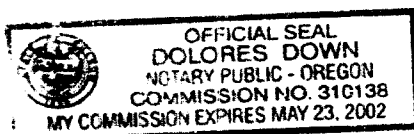


Dolores Down
NOTARY PUBLIC FOR OREGON
My Commission expires: 5-23-2002

30781

STATE OF OREGON)
) ss.
County of Klamath)

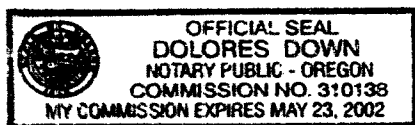
This instrument was acknowledged before me on February
5, 1999 by Charles R. Medill.



Dolores Down
NOTARY PUBLIC FOR OREGON
My Commission expires: 5.23.2002

STATE OF OREGON)
) ss.
County of Klamath)

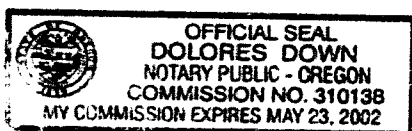
This instrument was acknowledged before me on July
17, 1999 by Erik Olson.



Dolores Down
NOTARY PUBLIC FOR OREGON
My Commission expires:

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on July
19, 1999 by Paul Lee.



Dolores Down
NOTARY PUBLIC FOR OREGON
My Commission expires:

State of Oregon, County of Klamath
Recorded 8/02/99, at 2:42 p. m.
In Vol. M99 Page 30776
Linda Smith,
County Clerk Fee \$ 55 - HL