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State of Oregon, County of Klamath
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Linda Smith, County Clerk
Fee \$ 86⁰⁰ # of Pgs 14

Well Easement With Sunset

This agreement is by and between RICHARD J WALSH, hereinafter referred to as "Rick," RUSSELL J WALSH and EDITH G. WALSH, individually and as Trustees of the WALSH FAMILY TRUST DATED MARCH 27, 1996, hereinafter referred to as "Russell," ADA R. MATNEY hereinafter referred to as "Ada," and ROBERT W. BRITTON and DEBRA K. BRITTON, hereinafter referred to as "Britton."

It is recited and agreed that:

--Rick owns real property described in Exhibit 1, attached hereto, herein referred to as Parcel A.

--Ada owns real property described in Exhibit 2, attached hereto, herein referred to as Parcel B.

--Britton owns real property described in Exhibit 3, attached hereto, herein referred to as Parcel C.

--Russell owns real property described in Exhibit 4, attached hereto, herein referred to as Parcel D.

--The parties have located a well and pumping facilities where Rick, Russell and Britton shall pay costs according to the terms herein and Ada shall provide the land. The well and pumping facilities are now existing on Parcel B, approximately 2,580 feet south and 795 feet east of the Northwest corner of Section 24, within the SW1/4 NW1/4 Section 24, Township 40 South, Range 9 East of the Willamette Meridian.

--It is the intention of the parties that the well, pump and delivery system shall benefit each of the Parcels A, B, C, and D together with additional real estate under the conditions and terms as herein set forth.

86⁰⁰ ✓
Rt: Richard Fairclo

--It is the intent of the parties to memorialize the easement and agreement for such water delivery and as regards water rights, sharing of costs and other matters.

--It is represented that the well, and pumping facilities are installed in a good and workmanlike manner and that they comply with rules and regulations of the state of Oregon.

Therefore, the undersigned owners hereby declare and establish such easement to be placed of record as recited herein.

The undersigned declare as follows:

1. EASEMENTS: Easements are hereby created to burden Parcel B and for the mutual benefit of Parcels A, B, C, D and other locations as set forth herein, for the location of an irrigation well, pumping facilities and facilities for the delivery of water as herein set forth. The easements shall be for construction, maintenance and utilization of the above described facilities located on Parcel B for water delivery to Parcel A, B, C, D and other locations as herein set forth, including but not limited to well, well casing, well pump and water delivery lines, and/or ditches running from and across Parcel B. Owners of each parcel shall be responsible for non-common water delivery lines or ditches to their respective parcels. These easements shall terminate in the future upon the happening of certain events, as below set forth.

2. LOCATION: The easements shall be located at the existing locations, as sketched on the attached Exhibit "A." Any future locations of facilities on Parcel B for ditches and/or pipes for the delivery of water as well as pumping equipment shall be approved by Ada, or her heirs, successors or assigns.

3. USE: It is understood that the owners of said real property may utilize the easements for purposes of irrigation and water delivery consistent with law and the terms of this agreement, and specifically includes the rights to deliver water for use of and at the direction of the United States for streamflows or Klamath Project deliveries.

4. INGRESS AND EGRESS: The owners of all parcels have the right of ingress and egress to maintain and reconstruct common facilities subject to the provisions herein.

5. COSTS: Rick, Russell and Britton shall be responsible for the overseeing of the initial construction of facilities. The parties shall designate the person to be primarily responsible for maintenance, utility costs and in the event such designated person shall fail or refuse to make such repairs or maintenance to common facilities, then the owners of other Parcels may make such repairs. In any event costs shall be shared and reimbursement shall be made from the owners of other Parcels according to the following amounts, subject to further specific provisions set forth herein:

Initial Construction:

All expenses of construction of common easement facilities, which consist of the well construction, casing, pump and electrical control panels shall be paid by Rick, Russell and Britton in equal shares of 1/3 each. Rick, Russell and Britton represent that such construction shall be complete in a good and workmanlike manner and in operational condition.

Maintenance:

All expenses of maintenance, repair and replacement of common easement facilities shall be paid by the parties 1/4 each. For purposes herein,

common easement facilities shall be the well, casing, pump and electrical control panels and such other facilities shared by all parties. Each party shall be responsible for maintenance of delivery facilities associated with individual use, and if shared with other parties herein, such maintenance shall be shared equally with such other party or parties. In the event the well must be decommissioned, such costs shall be considered a common easement facility maintenance expense subject to equal contribution of costs.

Electricity or fuel charges:

All expenses of electricity and fuel for operation of the common pump shall be paid by the parties who use such easement on a prorated basis, where the actual usage shall be taken into account. In other words, if one party is using the pump 50% of the time, then such party's share of the utility costs shall be 50%. In the event that such prorate of utility costs is not agreed to by the parties, such amounts shall be determined by arbitration pursuant to procedures below set forth. In the event that usage is below a minimum charge of the utility for electricity service, the parties shall share any balance of such minimum in equal shares.

6. RUNS WITH THE LAND; TERMINATION: These easements shall run with the land. However, easements benefiting Parcels A, C and D shall terminate as below set forth.

7. COMMON MAINTENANCE: Initially, the owner of Parcel A ("managing owner") shall be responsible for overseeing the maintenance of the common facilities, and for paying the costs of electricity for such pumps. Owners of other Parcels shall reimburse said costs of maintenance and electricity by paying such amounts according to the provisions in 5, above. Initial construction

shall be paid by Russell and Rick, with reimbursement according to the above and this paragraph from Britton. The owners having paid for such work, utilities or construction shall deliver to the owners of other Parcels statements of costs for reimbursement at regular intervals and such owners shall, within 30 days of receipt of statements, pay such amounts attributed to them. It is recited that initially the owners of Parcels shall be responsible as above set forth, and the parties may agree to other percentages as is fair and equitable. In the event that such prorates are not agreed to, then the parties shall determine such items by arbitration as below set forth. The managing owner may be changed from time to time by agreement of majority of the parties and shall provide monthly accountings. Such managing owner shall be entitled to reimbursement from all owners at the rate of \$60.00 per month or at such rate as the majority of the parties may agree from time to time.

8. ARBITRATION: In the event that a dispute arises as regards the subject matter of this agreement, the parties agree to submit to arbitration. In the event that the parties do not agree to an arbitrator, the parties agree to petition the court of the 13th Judicial District, State of Oregon for the appointment of such arbitrator. The costs of arbitration shall be borne equally by the parties in dispute.

9. COOPERATION, USE AND REPORTING: The parties agree that the intent of this agreement is to allow each party to the rights to 1/4 of the capacity of the well to be used on the designated parcels, or on other parcels not described herein. The parties agree to cooperate in good faith with each other to obtain necessary permits, easements, or other governmental or private cooperation to allow the delivery of such 1/4 capacity of the well for the benefit

of each party. Each party shall provide to the others within 10 days of the end of any month, the amount of water, if any, used by such party.

10. TERMINATION OF EASEMENT: Easements benefiting each of Parcels A, C and D shall terminate upon each of such parcels being transferred by sale, inheritance or otherwise to person or persons outside the immediate family as defined herein. Upon the ownership of each of such parcels being so transferred, the ratios and costs shall be recalculated among the remaining parcels. For instance, upon the termination of easement benefiting Parcel A, the owner of Parcel A shall have no further rights herein and the well maintenance costs shall be shared 1/3 among the remaining 3 owners.

Upon such transfer of ownership of all the Parcels A, C and D, then the owner of Parcel B shall be the sole owner of the well and pumping facilities located on Parcel B, and this agreement shall terminate and such events shall constitute and effect a transfer of rights established herein from the owners of Parcels A, C and D to the owners of Parcel B.

For purposes herein, the term "person or persons outside the immediate family" shall include all persons with the limited exception of the spouses or children of Richard J. Walsh, Robert W. Britton, Debra K. Britton, Russell Walsh and Edith Walsh, or the family trusts where such spouses or children are the sole immediate beneficiaries.

For example, if the children of Robert W. and Debra Britton receive ownership of Parcel C, this agreement does not terminate. However when transfer of ownership from those children of the Brittons transfer to a third person or persons, including to Robert W. and Debra Britton's grandchildren, then this agreement shall terminate as regards Parcel C.

11. ATTORNEY FEES; ATTORNEY REPRESENTATION: If suit or action is instituted to enforce any of the provisions of this Restriction, 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.

It is recited that Richard Fairclo, attorney has prepared this document representing Richard J. Walsh. The other parties hereto have been advised that they are not represented by Richard Fairclo and have been advised that they should seek independent counsel prior to signing this agreement. Such advise includes oral advise at meeting in the law office of Richard Fairclo on September 13, 2001, attended by Ada, Britton, Rick and Jeanette Humphrey. This document shall not be construed for against any party by reason of such representation.

12. PARTIAL REIMBURSEMENT OF CONSTRUCTION COSTS: It is recited that there is a possibility for the parties to effectuate a sale or the financial equivalent of sale of water to third persons, including the United States, and that income from such arrangement has been received from the United States for activities in the year 2001. It is agreed that such payments for activities in 2001 for such transactions involving water transfers from this well shall apply to portion of the initial construction costs contributed by Rick, Russell and Britton and to electricity charges associated with such transfers. The above provision applying such proceeds shall terminate, and henceforth proceeds from this well water transfers to third parties accounted to the parties to this agreement in equal shares, initially at 25% each.

13. MODIFICATION OF AGREEMENT: This agreement may be modified by the written agreement of all parties hereto, or their respective heirs, assigns or personal representatives, as owners of the affected parcels.

14. BINDING ON SUCCESSORS: This agreement is binding not only on the parties hereto, but on their heirs, successors and assigns and personal representatives, if any.

The effective date of this agreement is January 1, 2002.

Richard Walsh

Robert W. Butler

Hebra H. Butler

Russell J. Walsh

Edith Walsh

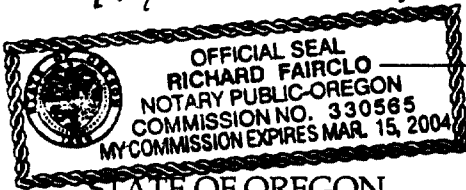
Ada R. Matney

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 2 (day of August, 2002, by Richard T. Walsh.



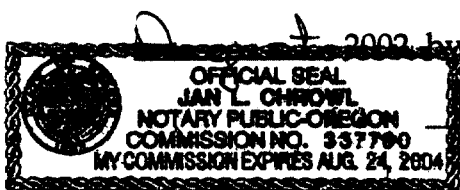
Notary Public for Oregon
My Commission expires:

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 26th day of



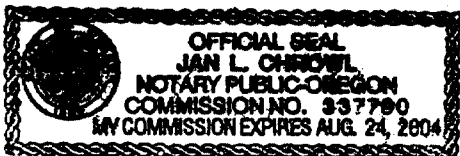
Notary Public for Oregon
My Commission expires:

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 26th day of August, 2002, by Robert W. Britton.



Notary Public for Oregon
My Commission expires:

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 26th day of August, 2002, by Russell G. Edith Walsh.

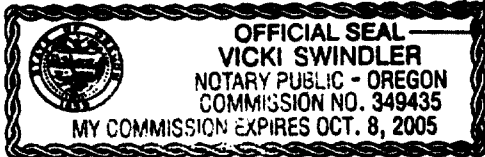


Notary Public for Oregon
My Commission expires:

STATE OF OREGON

] ss.

County of Klamath

The foregoing instrument was acknowledged before me this 13th day ofNovember, 2002, by Ada R. MatneyVicki Swindler

Notary Public for Oregon

The following-described real property in Klamath County, Oregon:

PARCEL 1:

The North 256 feet of Lot 1, Section 17, Township 40 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Lots 1 and 2, Section 8, Township 40 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

And a portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 40 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Commencing at the Northwest corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 40 South, Range 10 East of the Willamette Meridian; thence South along the West line of said quarter section a distance of 10 rods; thence East parallel with the North line of said quarter section a distance of 40 rods; thence South parallel with the West line of said quarter section 8 rods; thence East parallel with the North line of said quarter section 40 rods to the East line of said quarter section; thence North 18 rods to the Northeast corner of said quarter section; thence West along the North line of said quarter section to the point of beginning.

PARCEL 2:

The North 256 feet of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 17, Township 40 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 40 South, Range 10 East of the Willamette Meridian, EXCEPT the following portion thereof:

Commencing at the Northwest corner of said SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 8, Township 40 South, Range 10 East of the Willamette Meridian; thence South along the West line of said quarter section, a distance of 10 rods; thence East parallel with the North line of said quarter section, a distance of 40 rods; thence South parallel with the West line of said quarter section, 8 rods; thence East parallel with the North line of said quarter section, 40 rods to the East line of said quarter section; thence North 18 rods to the Northeast corner of said quarter section; thence West along the North line of said quarter section to the place of beginning.

Except that property previously released to wit:

Beginning at a point on the North line of said Section 17 from which the Northwest corner of said Section 17 bears N89°49'21"W, 30.00 feet; thence S00°05'09"E parallel to the West Line of said Section 17, 256.00 feet; thence S89°49'21"E parallel to the North Line of said Section 17, 2379 feet more or less to the Mean High Water Line of Lost River; thence northerly on said Mean High Water Line the following courses and distances: N15°12'02"E, 324.30 feet; N09°32'48"E, 223.70 feet; N16°32'48"W, 370.44 feet; and N25°02'09"W, 424.66 feet; thence leaving said Mean High Water Line, N89°49'21"W 2211.42 feet to a point lying 30.00 feet east of the West Line of said Section 8; thence S00°16'30"W parallel to the West Line of said Section 8, 1016.92 feet to the point of beginning containing 70.22 acres more or less.

EXHIBIT 2

Township 40 South, Range 9 East of the Willamette Meridian:

SE1/4SE1/4 of Section 23; the S1/2SW1/4 and the W1/2SE1/4 of Section 24; the N1/2NW1/4 of Section 25, and the NE1/4NE1/4 of Section 26.

E1/2NW1/4 and N1/2SW1/4 of Section 24, NE1/4SE1/4 of Section 23.

W1/2NW1/4 of Section 24.

SE1/4NW1/4 and the NE1/4SW1/4 of Section 25.

EXHIBIT 3

The following described real property in Klamath County, Oregon:

Parcel 1:

NE1/4 NW 1/4 of Section 24, Township 40 South, Range 9 East of the Willamette Meridian.

Parcel 2:

A tract of land situated in the NW1/4 of Section 3, Township 41 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Southeast corner of the SW1/4; thence North along the 16th line 1207.6 feet; thence North 78°33' West 22.08 feet; thence South 75°20½' West 143.71 feet; thence around a 90°00' curve to the right (R-63.66, T-42.85) 75.43 feet; thence North 36°46' West 280.42 feet; thence around a 39°00' curve to the right (R-46.91, T-65.83) 123.80 feet; thence North 11°31' East 291.87 feet; thence North 30°16½' East 132.73 feet; thence around a 40°30' curve to the left (R-141.4, T-53.70) 102.65 feet; thence North 11°18' West 151.67 feet; thence around a 90°00' curve to the right (R-63.66, T-213.24) 163.07 feet; thence South 44°32½' East 85.62 feet; thence around a 139°45' curve to the left (R-41.00, T-10.81) 21.14 feet; thence South 74°05' East 86.29 feet; thence around a 61°30' curve to the left (R-93.16, T-25.08) 49.01 feet; thence North 75°46½' East 122.47 feet; thence around a 139°45' curve to the left (R-41.00, T-33.50) 56.19 feet; thence North 2°45' West 70.62 feet; thence North 37°27½' West 111.15 feet; thence North 43°42½' East 135.08 feet, more or less, to the Westerly right of way of the U.S.R.S. Lateral; thence Southerly and Easterly along the Southerly boundary of the U.S.R.S. Lateral to the Westerly right of way line of County Road (known as Merrill Pit Road #983) thence South along the West right of way line of said road to the East-West center line of said Section 3, thence West to the point of beginning;

The N1/2SW1/4 of Section 3, Twp. 41 S., Range 10 E.W.M., EXCEPTING THEREFROM a portion of the NE1/4SW1/4 of said Section 3 described as follows: Beginning at a point on the South line of said NE1/4SW1/4 of said Section which is 42.24 feet East of the Southwest corner thereof; thence East along said South line of the NE1/4SW1/4 of said Section 3, 1017.06 feet; thence North 33°48' West 450.12 feet; thence North 60° West 85.8 feet; thence South 80° West 85.8 feet; thence South 56°24' West 728.64 feet, more or less, to the point of beginning.

ALSO EXCEPTING THEREFROM a portion of the NE1/4SW1/4 of said Section 3 described as follows: Beginning at the Northeast corner of the SE1/4SW1/4 of Section 3; thence North along the East line of the NE1/4SE1/4, 373.5 feet; thence West parallel to the South line of said NE1/4SW1/4 531.0 feet, more or less, to a point in the boundary of that certain parcel of land deeded to James Barnes and described in Vol. 216, page 233, Klamath County Deed Records; thence South 33°48' East along the boundary of said James Barnes property 450.12 feet to the North line of said SE1/4SW1/4 of said Section 3; thence East 270.6 feet, more or less, to the point of beginning.

The following-described real property in Klamath County, Oregon:

Parcel 1

S 1/2 NW 1/4 of Section 25, Township 39 South, Range 9 East of the Willamette Meridian.

SUBJECT TO:

1. Acreage and use limitations under provisions of the United States Statutes and regulations issued thereunder. Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, contracts, easements and water and irrigation rights in connection therewith.
2. Rights of the public in and to any portion of the above-described property lying within the limits of roads or highways.
3. Agreement, including the terms and provisions thereof, between Cleone Stamper Gray and Frank Gray, husband and wife, and Mrs. Barbour, dated August 20, 1952, recorded February 10, 1953 in Deed Volume 259, page 180 Deed Records of Klamath County, Oregon.

Parcel 2

The SE 1/4 NE 1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian.

EXCEPTING THEREFROM that portion conveyed to United States of America by Deed recorded in Deed Volume 45 at page 24.

ALSO EXCEPTING THEREFROM the following described tract of land: Beginning at a spike in the County Road on the East quarter corner of said Section 26; thence North 0 degrees 16' East along the East line of said Section 26 a distance of 292.0 feet; thence West parallel with the East-West centerline of said Section 26 a distance of 30.0 feet to an iron pin on the West boundary of the County Road; thence North a distance of 25 feet; thence West a distance of 632.35 feet to an iron pin on the East bank of Klamath Irrigation Drainage Ditch Drain 1-C; thence South 0 degrees 55' East along the East bank of said drain a distance of 292.1 feet to an iron pin on the East-West centerline of said Section 26; thence East along the centerline a distance of 626.85 feet to an iron pin on the West boundary of the County Road; thence continuing East a distance of 30.0 feet, more or less, to the point of beginning.

Parcel 3

SW 1/4 NE 1/4, Section 26, Township 39 S., R. 9 E.W.M., LESS a portion deeded to the City of Klamath Falls, dated February 9, 1955, recorded February 15, 1955, in Volume 272, Page 310, deed records of Klamath County, Oregon, as follows: Beginning at an iron pipe which marks the Southwest 1/16 corner of the NW 1/4 NE 1/4, Section 26, Township 39 S., R. 9 E.W.M., Klamath County, Oregon; thence S. 89°38'15" E., along the southerly line of the NW 1/4 NE 1/4 of said Section 26, 18.38 feet to an iron pin; thence S. 21°30'15" E. 1428.85 feet to an iron pin, said pin being on the southerly line of the SW 1/4 NE 1/4 of said Section 26; thence N. 89°36'15" W., along said southerly line of the SW 1/4 NE 1/4 of said section 26, 554.87 feet to a fence corner post, said post marking the center of said Section 26; thence N. 0°32'45" E., along the westerly line of the SW 1/4 NE 1/4 of said Section 26, 1325.67 feet to the point of beginning.