

KNOW ALL MEN BY THESE PRESENTS, that Robert L. Phillips and Susan K. Phillips, Grantors, in consideration of the sum of one dollar and other valuable consideration do hereby grant and convey to the Pine Grove Water District a permanent non-exclusive easement for the purpose of installing, repairing, maintaining and improving a water pipe(s) and reasonable appurtenances, including water meters on, over and under a strip of land called the "Easement Area" herein and described on Attachment "A", including the right to vehicular access for the purposes of using the easement. The Grantors agree not to erect any buildings within the Easement Area that would inhibit access to the pipe or cause damage to it. The Grantor(s) retain the right to use the Easement Area for asphalt and gravel driveways, parking lots and landscaping except for trees that would damage the pipe(s).

This easement is granted with the following understanding:

That the Pine Grove Water District shall repair and restore the Easement Area following the installation, repair, replacement or expansion of the utility line and meters to a condition substantially the same as it was prior to the entry by the District;

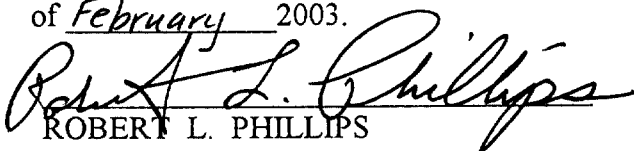
That in their use of the easement for meter reading, the Pine Grove Water District shall not block the Phillip's driveway or their access to Clovis Drive for any period longer than 20 minutes. All meter reading that occurs on the Easement Area shall be carried out in a courteous matter with as little noise and intrusion as possible;

That during installation or repair work on the pipe or meters, the driveway shall be kept open for vehicular traffic as much as is reasonably possible. If required, temporary closures of the driveway may occur, provided that there has been reasonable notice of the needed closure. In no case shall the closure of the driveway exceed 48 hours in duration;

That the Phillips may place a gate at the Clovis Drive end of the Easement Area, but access by a meter reader or for utility repair and replacement shall be allowed;

That the construction to take place in the Easement Area shall generally conform to the schematic plan for the use of the easement attached hereto as Attachment "B".

IN WITNESS WHEREOF, We have set our signatures below on this 14th day of February 2003.


ROBERT L. PHILLIPS

11821 Clovis Drive
Klamath Falls, Oregon 97603

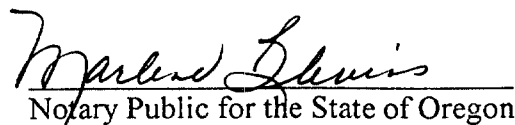

SUSAN K. PHILLIPS

State of Oregon, County of Klamath
Recorded 03/05/2003 10:14 A.m.
Vol M03 Pg 13383-85
Linda Smith, County Clerk
Fee \$ 31 # of Pgs 3

STATE OF OREGON, County of Klamath, ss.

This instrument was acknowledged before me on February 14, 2003 by Robert L Phillips and Susan K. Phillips.



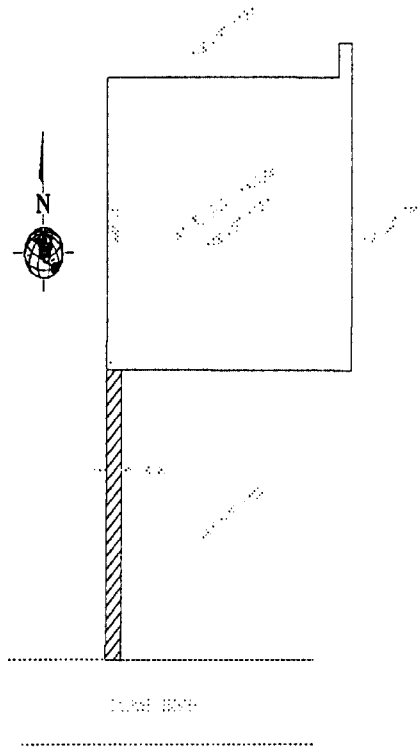

Notary Public for the State of Oregon

My Commission Expires 12/19/2003

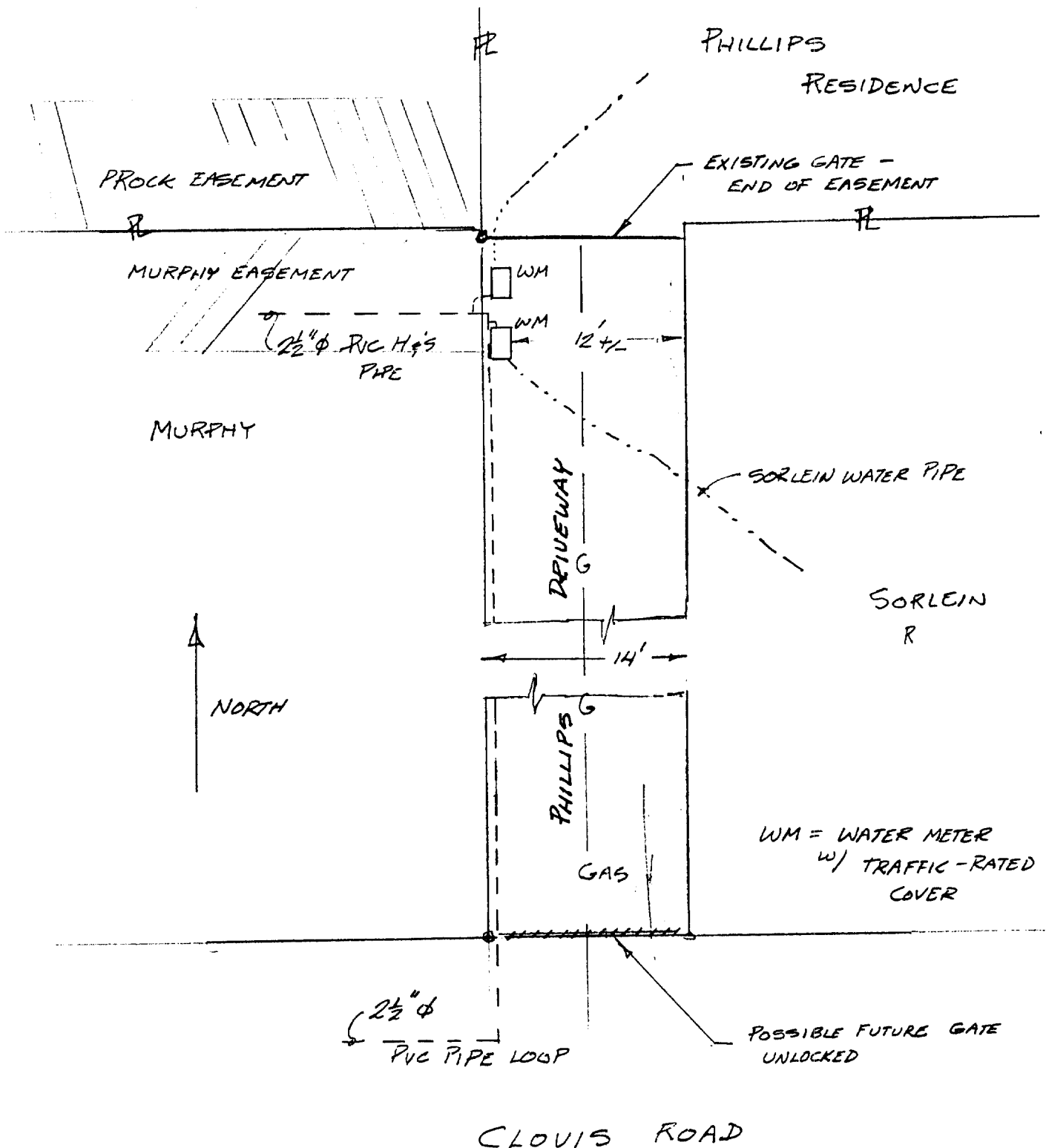
PHILLIPS EASEMENT -- ATTACHMENT "A"

The Easement Area is as follows:

THE WESTERLY 14.00 FEET OF THAT PROPERTY DESCRIBED IN DEED
VOLUME M75, PAGE 11674, KLAMATH COUNTY DEED RECORDS,
EXCEPTING THEREFROM, THE NORTHERLY 207.17 FEET.



PHILLIPS EASEMENT - ATTACHMENT B



REVISED 2-14-03