

State of Oregon, County of Klamath
 Recorded 06/30/2004 3:57 p m
 Vol M04 Pg 43079-43082
 Linda Smith, County Clerk
 Fee \$ 36.00 # of Pgs 4

Returned @ Counter

After Recording Return to:

Loren S. Scott
 Arnold Gallagher Saydack Percell
 Roberts & Potter, P.C.
 800 Willamette Street, Suite 800
 Eugene, OR 97401

Until a Change is Requested

Mail Tax Statements To

No Change

GRANTOR

Maurice Jay Anderson
 P.O. Box 79
 Crescent Lake, OR 97425

GRANTEE

Robert W. Henderson
 c/o Willamette Pass Inn
 P.O. Box 35
 Crescent Lake, OR 97425

WELL RIGHTS DEED / LEASEMENT

This Well Rights Deed is made this 23 day of June, 2004, between Maurice Jay Anderson, Grantor, and Robert W. Henderson, Grantee.

RECITALS

- A. Grantor is the owner of a tract of land described on Exhibit A attached hereto and by this reference incorporated herein.
- B. Grantee is the owner of an adjacent parcel of land described on Exhibit B attached hereto and by this reference incorporated herein.
- C. There is on Grantor's above-mentioned tract of land described on Exhibit A a well, together with casing, pump, tank, filter and outbuilding used in connection with the same, belonging to Grantee, that were erroneously placed in that location prior to Grantee's ownership of the parcel of land described on Exhibit B.
- D. Grantor has agreed to allow the well to remain in its present location and to allow Grantee to continue to utilize the well as described herein.

NOW THEREFORE, in consideration of the foregoing, and for other valuable consideration, receipt of which is acknowledged by Grantor, and subject to the conditions set forth in this instrument, Grantor does grant to Grantee, his heirs and assigns, the right to take an unlimited amount of water from the well and to use such water for the purpose of serving a commercial establishment, including, but not limited to: restaurant and lodging purposes, commercial landscaping/irrigation, and all other reasonable commercial purposes, subject to the terms and conditions set forth below.

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Grantor also grants to Grantee, his heirs and assigns, for the use and purpose described above, a perpetual easement on, in, over and across the property described on Exhibit A, as described in the attached Exhibit C, for the above-referenced well along with what is reasonably necessary for accessing the well, pump house, and lines for repair and maintenance.

So long as he has sole and exclusive use of the well, Grantee, his heirs and assigns, shall bear all of the expenses incurred in the maintenance and operation of the above-described pump and well and all of the expenses connected with the upkeep of the well and all accessories to the well. Grantee, his heirs and assigns, shall keep and maintain the well, casing, pump and outbuilding in good order so that there will be no leakage or seepage from the same, or any defects that may cause injury to the land and premises of Grantor.

If any suit or action shall be instituted to enforce or interpret this agreement, the prevailing party shall be entitled to recover from the losing party, in addition to statutory costs, such sums as the court may adjudge as reasonable from the prevailing party's attorney fees in such suit, action or any appeal thereof.

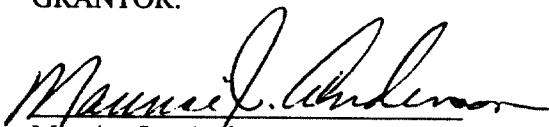
This agreement shall run with the land and shall bind the heirs, successors and assigns of Grantor and Grantee.

Grantee, his heirs and assigns, holds such easement for the well and right to take water on, through and across the land of Grantor forever. If, however, Grantee, his heirs and assigns ceases the usage of the well described herein and obtains an alternative source of water for his property, Grantee, his heirs and assigns agrees to execute a Quitclaim Deed conveying any and all interest that he may have as a result of this Well Rights Deed to Grantor, his heirs or assigns.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN O.R.S. 30.930.

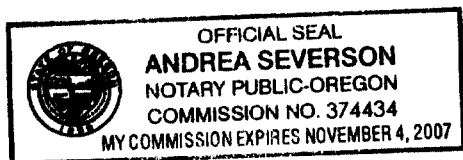
IN WITNESS WHEREOF, the Grantor has executed this instrument June 23, 2004.

GRANTOR:


Maurice Jay Anderson

STATE OF OREGON)
) ss.
County of Lane)

This instrument was acknowledged before me on June 23rd, 2004, by Maurice Jay Anderson.



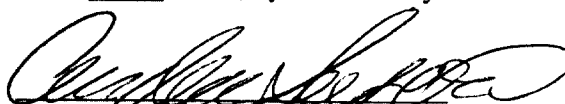

Notary Public for Oregon
My Commission Expires: 11-4-07

EXHIBIT A

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

A parcel of land located in Government Lot 13 in the NW¼ of Section 6, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the Section line common to Sections 1 and 6, said point bears South 00° 05' 12" West 471.25 feet from the Northwest corner of said Section 6; thence North 82° 44' 10" East, 282.53 feet to the Westerly right of way line of a power transmission line and 15.00 feet from the centerline thereof; thence along said powerline right of way North 15° 19' 12" West 132.95 feet; thence South 88° 54' 02" East, 552.08 feet; thence South 00° 14' 30" West, 321.91 feet; thence North 89° 27' 18" West, 796.04 feet to the West line of Section 6; thence along said Westerly line of Section 6, North 00° 05' 12" East, 160.98 feet to the point of beginning.

TOGETHER WITH a non-exclusive [sic] easement for ingress and egress as set forth and described in instrument, recorded May 27, 1981, in Volume M81 page 9351, Deed records of Klamath County, Oregon.

EXHIBIT B

Real property in the County of Klamath, State of Oregon, described as follows:

Parcel 1:

A parcel of land located in the NE¼ NE¼ of Section 1, Township 24 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at a point on the Section line common to Sections 1 and 6, said point bears S 00° 05' 12" W., 748.21 feet from the Northeast corner of said Section 1; thence N. 89° 04' 11" W. 72.34 feet to a point; thence S. 16° 19' 55" E. 255.91 feet to a point; thence N. 00° 05' 12" E. 244.41 feet to the point of beginning, with bearings based on Survey #3065.

Parcel 2:

That portion of Government Lot 14, Section 6, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of State Highway No. 58.

Tax Parcel Number: 144999

EXHIBIT C**Description for Well Easement**

A parcel of land situated in the NW¼ NW¼ of Section 6, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, begin more particularly described as follows:

Commencing at the northwest corner of said Section 6; thence along the west line of said section South 00° 05' 12" West 632.23 feet; thence South 89° 28' 16" East 88.00 feet to the True Point of Beginning; thence North 16° 58' 40" West 6.00 feet; thence North 73° 01' 20" East 16.65 feet; thence South 16° 58' 40" East 11.25 feet; thence North 89° 28' 16" West 17.45 feet to the point of beginning, containing 144 square feet, more or less.