

WELL USE & MAINTENANCE AGREEMENT

THIS AGREEMENT made effective January 1, 2006, by and between Blake Berven, M.D.P.C.(hereinafter called "Berven P.C."), Lee R. Schroder and Kaleo Schroder, husband and wife and Kaleo Lee Renstrom (hereinafter collectively called "Schroder") , Frank V. Surroz, Jr. and Connie J. Surroz, husband and wife (hereinafter collectively called "Surroz") and Blake Berven and Nancy Berven, formerly known as Nancy Britton, husband and wife (hereinafter collectively called "Berven") .

RECITALS:

- A. Berven P.C. is the owner of a parcel of real property situate in Klamath County, Oregon, described in Exhibit "A", attached to this Agreement and made a part hereof, upon which is situated a water well and pump.
- B. Schroder is the owner of real property described as Lot 10 Marina Park, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon, and a tract of land situated in the SE 1/4 of Section 23, T38S R8E, W.M., being more particularly described as follows:

Beginning at a 5/8" iron pin marking the Northwest Corner of Lot 11 (Eleven) of Marina Park, a subdivision filed in the Klamath County Clerk's office; thence N07°17'12"W, 55.49 feet to a 5/8" iron pin; thence N68°42'47"E, 26.97 feet to a 5/8" iron pin; thence N86°00'E, 115.53 feet; thence S31°37'24"W, 56.20 feet to the North Line of said Lot 11; thence S78°17'00"W on said North Line, 132.00 feet to the point of beginning.

- C. Surroz is the owner of real property described as Lots 10 and 12; Lot 13, LESS the Southerly 25 feet thereof; and all that portion of vacated Marina Drive adjacent to said Lot 13 described as follows:

Beginning at a point on the Westerly line of said Lot 13 which is 25 feet Northerly from the Southwest corner thereof; thence Northerly along the Westerly line of said Lot 13 to a point 10 feet Southerly from the Northwest corner thereof; thence South 80°00' West a distance of 30.0 feet to a point; thence Southeasterly in a straight line to the point of beginning;

all being in Marina Park, according to the correction plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

- D. Berven is the owner of real property described as follows:

A tract of land situated in the Southeast Quarter of Section 23, Township 38 South, Range 8, East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 2 inch pipe on the Easterly right of way line of State Secondary Highway No. 140, said point being the Southwest corner of that tract of land described in Deed Volume 316, page 204, Klamath County Deed Records, said point also being the Northwest corner of Marina Park, a recorded subdivision; thence North 53 degrees 35' 15" East 271.81 feet to a ½ inch iron pin, said point being the true point of beginning; thence North 11 degrees 43' West 277.23 feet to a ½ inch iron pin; thence North 78 degrees 17' East, 446.00 feet to a ½ inch iron pin; thence continuing North 78 degrees 17' East 4 feet, more or less, to the shore line of Upper Klamath Lake; thence Southerly along the said shore line to a point that bears North 78 degrees 17' East from the true point of beginning; thence South 78 degrees 17' West 60 feet, more or less, to a ½ inch iron pin; thence continuing South 78 degrees 17' West 402.87 feet to the true point of beginning of this description.

- E. Schroder, Surroz and Berven desire to use the well on the Berven P.C. property as a domestic water source in addition to its use by Berven P.C. for irrigation and possible future use as a domestic water source and Berven P.C. is willing to allow them to do so for the consideration previously paid and under the conditions set forth in this agreement.

AGREEMENT

For consideration previously paid, receipt of which is acknowledged, and in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Berven P.C. grants Schroder a non-exclusive easement and right of way 10 feet in width from the site of the well and across the Berven P.C. property to the Easterly property line of the Berven P.C. property and thence along the Easterly property line to a point which is adjacent to the Schroder property for the sole purpose of laying, repairing and replacing the well, pump and water transmission line to extract water from the well on the Berven P.C. property and transport it to the single family residence and adjoining property and facilities located on the Schroder property. The exact location of the easement shall be in the discretion of Berven P.C.. The grant of this easement shall be perpetual and run with the respective properties.
2. Berven P.C. grants Surroz a non-exclusive easement and right of way 10 feet in width from the site of the well and across the Berven P.C. property to the Easterly property line of the Berven P.C. property and thence along the Easterly property line to a point which is adjacent to the Schroder property for the sole purpose of laying, repairing and replacing the well, pump and

water transmission line to extract water from the well on the Berven P.C. property and transport it to the single family residence and adjoining property and facilities located on the Schroder property. The exact location of the easement shall be in the discretion of Berven P.C.. The grant of this easement shall be perpetual and run with the respective properties.

3. Schroder grants Surroz a non-exclusive easement and right of way 10 feet in width from a point along the westerly line Schroder property adjoining the Berven P.C. property and __ feet from the southwesterly corner of the Schroder property, thence easterly over the Schroder property to a point along the easterly line of the Schroder property adjoining the Surroz property for the sole purpose of laying, repairing and replacing the water transmission line to convey water from the well on the Berven P.C. property to provide water to the single family residence and adjoining property and facilities located on the Surroz property. The exact location of the easement shall be in the discretion of Schroder. The grant of this easement shall be perpetual and run with the respective properties.

4. Berven P.C. grants Berven a non-exclusive easement and right of way 10 feet in width from the site of the well and across the Berven P.C. property to the Easterly property line of the Berven P.C. property and thence along the Easterly property line approximately 150' to a junction box, thence across the Berven P.C. property approximately 170' to a standing pipe adjacent to the Berven residence for the sole purpose of laying, repairing and replacing the well, pump and water transmission line to extract water from the well on the Berven P.C. property and transport it to the single family residence and adjoining property and facilities located on the Berven property. The exact location of the easement shall be in the discretion of Berven P.C.. The grant of this easement shall be perpetual and run with the respective properties.

5. Berven, Schroder and Surroz shall use one common buried transmission line on the Berven P.C. property to the old well junction box where the Berven transmission line diverts to the Berven property. Thereafter Schroder and Surroz shall use one common buried transmission line on the Berven P.C. property to a point on the Schroder property where the line divides to service their respective properties. Schroder and Surroz shall be jointly and severally responsible for the repair and replacement of any transmission lines that are for the benefit of both properties.
6. All operation costs, such as electricity charges, shall be divided equally between the parties. The party incurring the charge shall provide the other parties with a copy of the billing received from the utility company who shall reimburse the party incurring the charge within 10 days of receipt of the billing.
7. If in the opinion of any party to this agreement, the well, the pump or the common transmission line require maintenance, repair or replacement to maintain reasonable usefulness, the party in whose opinion such maintenance, repair or replacement is necessary shall notify the other parties in writing, describing the maintenance, repair or replacement to be undertaken and the cost thereof, if known. If a party receiving the notice fails to object in writing delivered to the other parties within 7 days, each party shall be responsible for one-third (1/3) of the cost thereof. If an objection is made and the parties are unable to reach an agreement, the parties shall submit the controversy to arbitration in accordance with the Oregon Revised Statutes.
8. Following any construction or repair the property disturbed shall be returned to its previous state.
9. Berven P.C. retains the right to subdivide the Berven P.C. property into one or more parcels. Each of such lots shall be subject to the obligations and enjoy the benefits of this

agreement. In such case the additional lots created shall be liable for an equal share of all charges incurred after the lot begins to draw water from the well.

10. Berven P.C. does not warrant the chemical composition of the water, quality of the water nor the quantity of water.

11. Any party may elect to discontinue receiving water from the well. To do so, the party electing to discontinue water rights shall record with the Klamath County Clerk an election to withdraw from the maintenance portion of this agreement. The withdrawing party shall no longer be liable for any future expenses associated with this agreement but shall remain subject to all easement and right of way obligations to which his property shall be subject by the terms of this agreement.


12. In the event either party fails to fulfill their obligations under this agreement, the other party may perform on behalf of the defaulting party and make claim for any and all expenditures made on behalf of the defaulting party.

13. In the event arbitration, suit or action is instituted by any party, the prevailing party shall be awarded attorney fees in such suit or action or upon appeal.

14. This agreement shall bind the parties, their heirs, successors and assigns.

IN WITNESS WHEREOF, each party has set his or her hand on the dates as notarized.

Blake Berven P.C., M.D.P.C.



President



Secretary

State of OREGON

County of Klamath

This instrument was acknowledged before me this 31st day of March, 2006, by Blake Berven as President and Blake Berven as Secretary of Blake Berven P.C., M.D.P.C.



Janice Wachter
Notary Public - State of Oregon

Lee R. Schroder
Lee R. Schroder

Kaleo Schroder
Kaleo Schroder

Kaleo Lee Renstrom
Kaleo Lee Renstrom

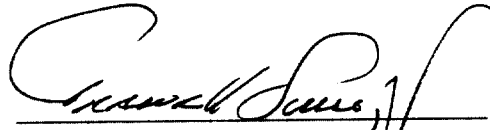
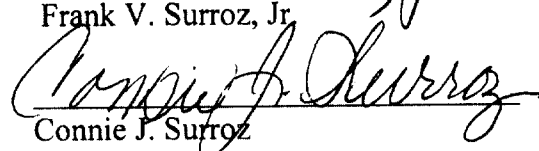
State of OREGON

County of Klamath

This instrument was acknowledged before me this 27th day of March, 2006, by Lee R. Schroder, Kaleo Schroder, and Kaleo Lee Renstrom.



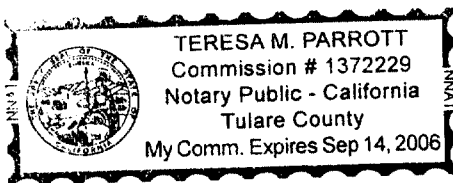
Mindy Tuter
Notary Public - State of Oregon


Frank V. Surroz, Jr.

Connie J. Surroz


State of CALIFORNIA


County of Tulare

This instrument was acknowledged before me this 7th day of April, 2006, by Frank V. Surroz, Jr. and Connie J. Surroz




Notary Public - State of California

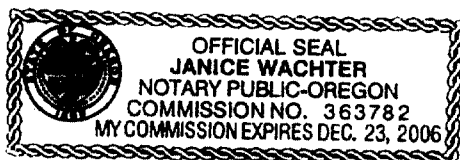

Blake Berven



Nancy Berven

State of OREGON

County of Klamath

This instrument was acknowledged before me this 31ST day of MARCH, 2006, by Blake Berven and Nancy Berven.




Notary Public - State of Oregon

DESCRIPTION

A tract of land situated in SE $\frac{1}{4}$ of Section 23, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a $\frac{5}{8}$ " iron pin marking the center $\frac{1}{4}$ corner of said Section 23 as set by record of Survey No. 1571, as recorded in the Klamath County Surveyor's Office; thence South 1128.12 feet; thence East 253.52 feet to a $\frac{1}{2}$ " iron pin on the Northeasterly right of way line of Lakeshore Drive (Highway No. 421); thence North $30^{\circ} 12' 56''$ West 35.33 feet to a $\frac{5}{8}$ " iron pin on the said Northeasterly right of way line, said point being the true point of beginning of this description; thence leaving said right of way line North $61^{\circ} 15' 46''$ East 21.07 feet; thence Southeasterly along the arc of a curve to the right (central angle = $53^{\circ} 49' 08''$ radius = 100 feet) 93.93 feet; thence South $64^{\circ} 55' 06''$ East 109.68 feet; thence Southeasterly along the arc of a curve to the left (central angle = $19^{\circ} 52' 30''$, and radius = 400 feet) 138.75 feet; thence South $84^{\circ} 47' 36''$ East 75.60 feet to the Southwesterly line of deed recorded in Volume M69, page 4801; thence South $11^{\circ} 43' 00''$ East 122.71 feet to the Southwesterly corner of deed recorded in Volume M69, page 4801; thence North $78^{\circ} 17' 00''$ East 463.0 feet, more or less to a point on the Westerly shore line of Upper Klamath Lake; thence Southwesterly along said shore line to a point that bears South $31^{\circ} 30' 46''$ West a distance of 156.44 feet from the last described point and being the Southeasterly corner of Deed Volume 316, page 204; thence leaving said shore line South $78^{\circ} 17' 00''$ West 603.0 feet, more or less to a point on the Northeasterly right of way line of said Lakeshore Drive; thence Northwesterly along the said right of way line following the arc of a curve to the left (central angle = $14^{\circ} 12' 46''$, radius = 439.26 feet) 108.96 feet; thence continuing along said right of way line North $34^{\circ} 07' 00''$ West 249.50 feet; thence continuing along said right of way line following the arc of a curve to the right (central angle = $05^{\circ} 22' 46''$, radius = 686.30 feet) 64.44 feet to the true point of beginning.

TOGETHER WITH a non-exclusive right of way and easement for road purposes for access to and exit from adjoining properties along and upon the following described property ~~which is 30 feet in width~~ Northernly from and measured at right angles to the following described line, Commencing at the true point of beginning of the tract of land first hereinabove described; thence North $61^{\circ} 15' 46''$ East 21.07 feet; thence along the arc of a curve to the right (central angle = $53^{\circ} 49' 08''$, radius = 100 feet) 93.93 feet; thence South $64^{\circ} 55' 06''$ East 109.68 feet; thence along the arc of a curve to the left (central angle = $19^{\circ} 52' 30''$, radius = 400 feet) 138.75 feet; thence South $84^{\circ} 47' 36''$ East 75.60 feet.