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Brandsness, Brandsness & Rudd
411 Pine St.
Klamath Falls, OR 97601

2007-009525

Klamath County, Oregon



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05/25/2007 03:52:05 PM

Fee: \$31.00

Easement
WELL AGREEMENT

DATED: February 1, 2007

PARTIES:

Orem Land Company ("Orem")
an Oregon Partnership
C/O Gary Orem
19980 Highway 50
Merrill, OR 97633

Wong Potatoes, Inc. ("Wong")
an Oregon Corporation
C/O Daniel Chin
17600 Highway 39
Klamath Falls, OR 97603

RECITALS:

A. Orem owns real property located in Klamath County, Oregon, more particularly described on the attached Exhibit "A", (hereinafter "the Orem property").

B. Wong owns real property located in Klamath County, Oregon, a description of which is on Exhibit "B" attached hereto and incorporated herein (hereinafter "the Wong property").

C. In 2001 a well was drilled, a pump installed and irrigation water used from a well upon the Orem property. An oral agreement was entered into between Wong and Orem in which Orem has a sixty percent (60%) beneficial use of the well and Wong has a forty percent (40%) beneficial use of the well. The well has been, and will be used as an agricultural well to supplement irrigation for the Wong property and Orem property.

D. Orem intends to sell the Orem property to Sierra Cascade Nursery, Inc., a California corporation. Prior to the consummation of the sale, the oral agreement between Wong and Orem must be memorialized in a recorded document.

E. The existing well and distribution system located on the Orem property is equipped with a pump; a t-joint and pipes. The water then runs into the #11 lateral. The owners may then desire to run their part of the water into a different delivery system.

F. The Parties desire that this Agreement be properly recorded so as to appear in the chain of title to each parties' property and this Agreement be binding as to each parties' heirs, successors, assigns and grantees.

G. The Parties wish to further define their respective rights and obligations concerning said well.

1. WELL AGREEMENT

AGREEMENT

NOW, THEREFORE for the mutual considerations contained herein, Orem and Wong agree as follows:

1. USE OF WELL. The Orem property shall have a sixty percent (60%) beneficial use of the well and the water drawn therefrom. The Wong property shall have a forty percent (40%) beneficial use of the well and the water drawn therefrom. Each party agrees that the use of the well shall be limited to agricultural use unless the parties agree otherwise.

2. COST OF REPAIR AND UPKEEP. Orem and Wong hereby agree and shall contribute in their proportional beneficial interest share of the well, those amounts necessary to repair, maintain, and upkeep said well and pump. Should any repairs or maintenance be necessary upon the well or its pump, each party shall contribute their proportionate beneficial share of the well towards said maintenance and repairs. If the well runs dry, caves in or suffers any other catastrophic and total loss of usefulness, either of the parties have the option of drilling a new well on their own respective property without right of contribution from the other party and without being required to share the produce of such a well with the other party. The parties are not required by this agreement to cooperate in any venture to establish another shared well, or to restore the existing well to its current condition if such a loss of the well occurs.

3. ACCESS. Orem hereby grants to Wong, his successors and assigns, an easement across the Orem property, upon constructed roads, access for inspection and repair of the well, pump and distribution system. Wong shall cause no damage to the Orem property when asserting this right. Wong has the right to come onto the Orem Property to start the well or to do maintenance for his 40% share of the same.

4. RECORDATION. Each party desires that this Agreement be properly recorded so as to appear in the chain of title to each party's respective property and that this Agreement will run with the land of each party and that this Agreement be binding as to each party's heirs, successors and assigns.

5. MISCELLANEOUS.

a. Venue. Should suit or action be instituted to enforce any terms or provisions of this Agreement, sole venue shall be in the Circuit Court for the state of Oregon for the County of Klamath. This Agreement shall be interpreted under the laws of the state of Oregon.

b. Attorney's Fees. If suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney's fees at

2. WELL AGREEMENT

trial, on petition for review, and on appeal.

c. Notices. Should any notice required or permitted under this Agreement be given, it shall be effective when actually delivered or forty-eight (48) hours after deposit in the United States Mail as Certified Mail addressed to the address first given in this Agreement or to such other address as may be specified from time to time by either of the parties in writing.

d. Succession. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

e. Recordation. This Agreement shall be recorded in the real property records of Klamath County, Oregon. The cost of recording this Agreement shall be borne equally between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first herein written.

OREM LAND COMPANY
an Oregon Partnership

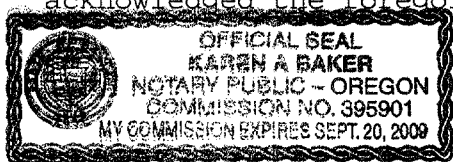
WONG POTATOES, INC.
an Oregon Corporation

Gary Orem
By: Gary Orem
Its: General Partner

Daniel Chin
By: Daniel Chin
Its: President

STATE OF OREGON)
) ss.
County of Klamath)

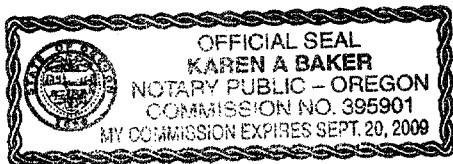
Personally appeared before me this 24 day of May 2007, the above-named Gary Orem, as General Partner of the Orem Land Company and acknowledged the foregoing instrument to be his voluntary act.



Karen A. Baker
Notary Public for Oregon
My Commission expires: 9-20-09

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared before me this 24 day of May 2007, the above-named Daniel Chin, as President of the Wong Potatoes, Inc. and acknowledged the foregoing instrument to be his voluntary act.



Karen A. Baker
Notary Public for Oregon
My Commission expires: 9-20-09

3. WELL AGREEMENT