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For Evalu

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Klamath County, Oregon



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A Shared Well Agreement

When buying a property with a shared well, a legal agreement is essential, in order to protect your access to the water supply and to spell out the costs and responsibilities involved in maintaining the system. For more information on this topic, refer to the wellcare® information sheet, "Sharing a Well."

Below is a ^{modified} sample Shared Well Agreement, based on the U.S. Department of Housing and Urban Development (HUD) model, from the U.S. Department of Agriculture Rural Development website. All situations are different and individuals should seek independent legal advice before entering into a contract. This form is intended to be a starting point, and should be reviewed and modified by an attorney prior to being finalized. Each state has different legal rules that must be considered.

SHARED WELL WATER AGREEMENT¹

This Agreement, made and entered into this 1st day of September, 2008 by and between Gardiner, party of the first part, hereinafter referred to as the "supplying party", and Keller and Keeley and/or Shannon, party of the second part, ~~an approved United States of America, Rural Housing Services, mortgagor,~~ and hereinafter referred to as the "supplied party":

Keller/Keeley & Shannon

WITNESSETH:

THAT WHEREAS, the supplying party is now the owner of property known as Lot #52, Crescent Lake (Parcel 1)², located in the County of Deschutes, State of Oregon, which property is more fully described as follows, to wit:

Cabin #52, David Gardiner, Crescent Lake, 24728 Crescent Lake Highway, Crescent Lake, OR 97425
Location of Well: County=Klamath, Township= 24.00S, Range=6.00E, Section 15, SW 1/4 of the SW 1/4, TaxLot Cabin 52

and

WHEREAS, the supplied party ~~is the owner of~~ ^{are the owners} Lot #51 and Lot #53
(Parcel 2)², located in the County of Klamath, State of Oregon, which
property is more fully described as follows, to wit:

Lot #51, George Keller,

Cabin #51, Crescent Lake, 24726 Crescent Lake Highway, Crescent Lake, OR 97425
and

Lot #53, Tim Keeley and/or Bob Shannon,

Cabin #53, Crescent Lake, 24830 Crescent Lake Highway, Crescent Lake, OR 97425
and

WHEREAS, the undersigned parties deem it necessary to provide a well system to
service the parcels described herein, and an Agreement has been reached relative to
supplying water from the well and the cost of supplying said water; and

WHEREAS, there is located a well ~~upon~~ ^{adjacent to Lot #52, Crescent Lake} (Parcel
1)², together with water distribution facilities, hereinafter referred to as "water
distribution system", for the purpose of supplying water to all properties connected to
the said water distribution system; and

WHEREAS, it is the intention and purpose of the undersigned parties that the
well and water distribution system shall be used and operated to provide an adequate
supply of water for each of the properties connected thereto, for the domestic
consumption of the occupants of said properties, and to assure the continuous and
satisfactory operation and maintenance of the well and water distribution system for
the benefit of the present and future owners, their heirs, successors and assigns of the
properties connected thereto; and

WHEREAS, the said well is deemed by the parties hereto to be of adequate
capacity to supply a single family dwelling on each of the parcels described herein with
water from the well for all domestic uses of a single family residing therein; and

~~WHEREAS, the United States of America, Rural Housing Services, will not finance
or guarantee mortgage loans covering the separate properties and improvements
thereon unless proper assurance is given by the parties as demonstrated by execution of
this Agreement, that the water distribution system will have a continuous and
satisfactory operation in accordance with the terms of this Agreement; and~~

WHEREAS, the water from the well ~~has undergone~~ ^{will undergo after completion} a water quality analysis from
the State of Oregon health authority and ~~has been~~ ^{will be} determined by the
authority to supply safe and potable water; and

WHEREAS, the parties hereto desire to enter this Agreement for the purpose of
reducing to writing their respective rights and obligations pertaining to said well and
water distribution system.

NOW THEREFORE, in consideration of the promises and covenants herein
contained, it is agreed that the well and water distribution system situated on

adjacent to Lot #52, Crescent Lake (Parcel 1) shall be used by the parties to this Agreement, as well as by all future owners and occupants of said parcels, upon the following terms and conditions:

1. That until this Agreement is terminated, as hereinafter provided, the parties hereto, their heirs, successors and assigns, for the exclusive benefit of the respective parcels of real estate, and for the exclusive use of the household residing thereon, are hereby granted the right in common with the other parties to this Agreement, to draw water from the well located on adjacent to Lot #52, Crescent Lake for quotidian domestic use excluding the right to draw water to fill swimming pools of any type.

2. That the owners or residents of the dwellings located on Lot #51 & Lot #53 (Parcel 2)³, as of the date of this Agreement shall:

a. ~~Pay or cause to be paid to the supplying party, an annual fee for this use of the well and water distribution system;⁴~~
one third of the total expense of the complete well installation, connection and water testing for Lot #52.

b. Pay or cause to be paid promptly, a proportionate share of all expenses for the operation and maintenance of the well and water distribution system that may become necessary. Each respective share shall be determined by dividing the amount of each expense by ^{three}~~two~~, it being understood that the supplying party and the supplied party shall pay an amount equal to one ^{half}~~half~~ of the total of such necessary repair or replacement. Shared expenses ^{third} include the cost of electricity for pumping, repairs and maintenance on said well and water distribution system.

3. That the cost of any removal or replacement of pre-existing site improvements on an individual parcel necessary for system operation, maintenance, replacement, improvements, inspection or testing, damaged as a result of repair of the well or water distribution system maintenance will be borne by the owner of the affected parcel, ~~except that costs to remove and replace common boundary fencing or walls damaged as a result of repair shall be shared equally between or among parties so damaged.~~

4. That each of the parties hereby agrees that they will promptly repair, maintain and replace all water pipes or mains serving their respective dwellings.

5. That the consent of all parties to pay a proportionate share of costs shall be obtained prior to embarking upon expenditures for system maintenance, replacement or improvement, except in emergency situations. An arbitrator shall be chosen by the parties; shall be consulted in the event the parties cannot agree regarding the said expenditures; and the arbitrator's decision shall be definitive.⁹

6. That the supplied party shall pay to the supplying party⁶ his⁷ proportionate share for the cost of energy for the operation of the pumping equipment. This cost shall be determined by a separate ~~meter upon each dwelling and for each parcel.~~ ^{agreement for}

7. That it is the agreement of the parties hereto that the payment for energy cost shall be made not later than the ~~First~~ ^{September} day of each succeeding ~~year~~ ^{month} during the term of this Agreement. In the event that any such payment remains unpaid for a period of 20 days, the supplying party may terminate the supply of water to the supplied party until all arrearages in payment are received by the supplying party.
8. That it is the agreement of the parties that they shall permit a third party to cure a default of payment or other obligation and shall permit water distribution service to be reinstated upon such curative action.
9. That each of the parties to this Agreement does hereby grant to the other, his heirs, successors and assigns, such easements over, across and through the respective parcels as shall be reasonably necessary for the construction of the well, maintenance of water pipes, pumping equipment, mains, electrical wiring and conduit consistent with the purposes of this Agreement. These easements are described below, to wit: (Describe easements, if any and cite Warranty Deed)
- Well and supply lines to all parties are located on National Forest Property, and each dwelling is a defined lot on National Forest Property.
-
10. That no party may install landscaping or improvements that will impair the use of said easements.
11. That each party shall have the right to act to correct an emergency situation and shall have access to the pertinent parcel in the absence of the other. An emergency situation shall be defined as the failure of any shared portion of the system to deliver water upon demand.
12. That only those parcels of real estate hereinabove described and the dwellings located thereon shall be permitted to receive water from said well and pumping equipment; and each of the parties hereto does hereby covenant and agree that he/she will not allow or permit other persons, other than household guests, to take, draw, use or receive water from the well, nor permit other persons to connect to the pipes or mains serving his/her respective parcel.
13. That in the event the referenced well shall become contaminated and shall no longer supply water suitable for domestic consumption, or shall no longer supply water adequate for the needs of all relevant parties, or in the event that another source of water shall become available to the respective parcels, then the rights and obligations of the parties created by this Agreement shall cease and terminate in accordance with the terms and conditions hereinafter described.

14. That upon the availability of such other source of water, it is contemplated that a reasonable time shall be allowed to effectuate the necessary connections to the new source.

and to the owners
of the other parcels

15. That the respective rights and obligations of the parties shall continue until the parties who wish to terminate their participation in the Well Agreement have executed and filed a written statement of termination at the Office of the Register of Deeds of the County of Klamath, State of Oregon. Upon termination of participation in this Agreement, the owner and occupant of each residence which is terminated from the Agreement shall have no further right to the use of the well. The terminated parties shall disconnect their respective lateral connection from said well system and shall have no further obligation to pay or collect for maintenance and related expenses incurred thereafter. The costs of disconnection from the well and water system shall be borne by the owner of the pertinent parcel.

16. That the undersigned parties shall permit periodic well water sampling and testing by a responsible authority at the request of an undersigned party, ~~mortgagee or the United States of America, Rural Housing Services.~~

17. That the said well and this Agreement, if amended, shall serve no more than ^{three} ~~four~~ single family dwelling units or ^{three} ~~four~~ parcels, notwithstanding the ability of the parties to make other amendments to this Agreement.

18. That the parties may amend this Agreement to assure equitable distribution of shared costs and responsibilities; ~~however, this Agreement may not be amended during the term of a Federally insured (direct) or guaranteed mortgage on any property served, except as provided herein, for the purpose of adding to the prescribed number of parties.~~

19. That the term of this Agreement shall be perpetual, except as herein limited.

20. That the benefits and burdens of this Agreement shall constitute a covenant running with the parcels of land herein described and shall be binding upon the heirs, successors in title and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seal the day and year first above written.

BY David J. Hardman Lot #52

DATE Sept 1, 2008

BY George H. Kellum Lot #51

DATE Sept 1, 2008

BY Tim Kealey Lot #53 and/or BY _____ Lot #53

DATE Sept. 1, 2008

DATE _____

Sworn and subscribed before me this 1st day of September, 2008

My commission expires: 11/16/2010



1. This Well Agreement is written for two parties, viz. a "supplying party" and a "supplied party"; however, the language, where appropriate, may be adjusted to encompass up to ~~four~~ ^{three} parties, one of whom would be the supplying party. The same format is to be used for legal descriptions for additional parcels. The parties may elect to choose a trustee to receive payments and manage the maintenance and satisfactory operation of the well and water distribution system.
2. The terms "Parcel 1" and "Parcel 2" are used herein for convenience; any accurate description of the relevant land may be used in this Agreement.
3. In accordance with Footnote 1, if there are more than two parcels, the following language may be substituted:

"That the owners or residents of the dwellings located on said parcels, as of the date of this Agreement, shall..."
4. This Well Agreement need not necessarily require an annual fee. If the parties agree not to charge an annual fee, then the language of "a" may be eliminated.
5. If there are more than two parcels, expenses should be divided by the number of parties to the Agreement. The following language may be substituted:

"Each respective share shall be determined by dividing the amount of each expense by _____, the number of parties to the Agreement."
6. The following language may be substituted if there are more than two parties:

William D. Gibbs

P.O. Box 4
Crescent Lake, Oregon 97425 USA

Phone 541-433-2593
globilg@hotmail.com

October 28, 2008

TO WHOM IT MAY CONCERN

I, William D. Gibbs, Notary Public for the State of Oregon, witnessed the signing of the *Well Agreement*, by David L. Gardiner, George H. Keller and Tim Keeley, on September 1, 2008.



William D. Gibbs
Notary Public - Oregon
Commission No. A411964