

AGREEMENT

THIS AGREEMENT, made by and between FAITH TABERNACLE, INC., an Oregon corporation, as "Grantor" and MELVIN L. STEWART and BILLY J. SKILLINGTON, as "Grantees".

R E C I T A L S:

1. Grantor is the owner of a portion of Tract 43, Enterprise Tracts, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, a more complete description is attached hereto and marked as "Exhibit A".

2. Grantees are the owners of a portion of Tract 43, Enterprise Tracts, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, upon which is situated office and commercial buildings, a more complete description is attached hereto and marked as "Exhibit B".

3. The Grantor has developed a geothermal well upon it's property and has extended a hot water pipe from the geothermal well to the Northerly boundary of the Grantees property, a drawing of the location of said well and pipe line are attached hereto and marked as "Exhibit C".

4. The Grantees desire to have the right and license to use said geothermal source and the Grantor is willing to sell the same under the terms and conditions herein contained.

W I T N E S S E T H:

In consideration of the covenants hereinafter contained, the parties hereto agree as follows:

A. The Grantor agrees to sell to Grantees the hot water from the geothermal source to heat the office and commercial buildings upon the Grantee's property.

B. For the use of the geothermal water, the Grantees have paid Grantor the sum of Eight Thousand and NO/100ths

1 (\$8,000.00) DOLLARS for the period of October 1, 1978 to and
2 including September 30, 1986, receipt of which is hereby ack-
3 knowledged. This Agreement shall be perpetual, however on Oct-
4 ober 1, 1986 and each fifth (5th) year thereafter, the annual
5 payments for the right to use the geothermal water shall be
6 adjusted to the cost of living. In the event the parties are
7 unable to agree to the adjusted price, the matter shall be sub-
8 mitted to three arbitrators selected by the parties.
9

10 C. Grantor does not warrant the chemical composition
11 of the water; quality of the water nor the quantity of the water.
12 Grantees hereby expressly assume all risks in the use of the
13 geothermal source once it is upon their property and hold Gran-
14 tor harmless from any loss occasioned thereby.
15

16 D. It is understood and agreed by the parties hereto
17 that the Grantor has not made any application to the Public
18 Utilities Commissioner for rights to sell said water and that
19 said transaction is strictly a private transaction as between
20 the parties. In the event that the Public Utilities Commis-
21 sioner or any other governmental agency should restrict the use
22 of the geothermal source to the Grantees, then this Agreement
23 shall become null and void.
24

25 E. It is understood by the Grantees herein that Grantor
26 cannot be liable for breakdowns in the pumping apparatus of the
27 well, or for water shortage, or for breaks or leaks in the pipes
28 upon the Grantor's property. It is agreed, however, that the
29 Grantor shall endeavor in all ways to rectify any deficiencies
30 in their system as soon as possible.
31

32 The Grantor shall be responsible for maintaining
33 the well and the well casing in good maintenance and repair at
34 it's own expense. In the event the pump or pump motors need
35 repair, maintenance or replacement the parties shall share in the
36 cost at 60% to Grantor and 40% to the Grantees.
37

38 F. This Agreement may be terminated by the mutual con-
39 sent of the parties or it shall be terminated upon a failure of
40

41 2. AGREEMENT

the geothermal source for any reason beyond the control of the Grantor.

G. The Grantor further grants to the Grantees, a license to go upon the property of the Grantor to maintain their pipe lines to their property, as well as assisting the Grantor in maintaining the pump and motors thereon.

H. This Agreement shall run with the land and enure for the benefit of the successors and assigns of the parties hereto.

I. In the event the Grantees refuse to fulfill their obligations herein, then the Grantor will have the right to terminate the geothermal water until the Grantees have complied.

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

DATED at Klamath Falls, Oregon this ____ day of January, 1981.

FAITH TABERNACLE, INC.

By: Jerry V. Terry President

By: J. I. Brewer Secretary

Melvin L. Stewart
Melvin L. Stewart

Billy J. Skillington
Billy J. Skillington

STATE OF OREGON)
County of Klamath) ss. January 30, 1981.

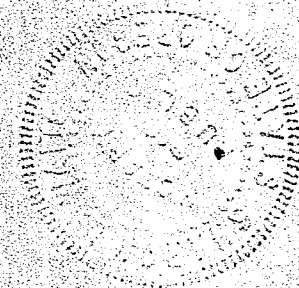
Personally appeared JERRY V. TERRY, who, being duly sworn, stated that he is President, and J. I. BREWER, who, being duly sworn, stated that he is Secretary, of Faith Tabernacle, Inc., and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed. Before me:

Sharon L. Wade
Notary Public for Oregon
My Commission expires: 12/9/84

1 STATE OF OREGON)
County of Klamath) ss. January 30, 1981.

5 Personally appeared the above-named MELVIN L. STEWART
and BILLY J. SKILLINGTON, and acknowledged the foregoing in-
strument to be their voluntary act. Before me:

10 Shawn L. Wade
Notary Public for Oregon
My Commission expires: 12/9/84



REAL PROPERTY DESCRIPTION

A portion of Tract 43 of Enterprise Tracts, in Klamath County, Oregon, described as follows:

Beginning at a point on the West boundary line of Tract 43, Enterprise Tracts, in Klamath County, Oregon, which point is S. $0^{\circ}00\frac{1}{2}'$ E. 73 feet, and N. $89^{\circ}54'$ E. 30 feet from the section corner common to Sections 33 and 34, Township 38 S. R. 9 E.W.M. and Sections 3 and 4, Township 39, S. R. 9 E.W.M., thence S. $0^{\circ}00\frac{1}{2}'$ E. along the West line of said Tract 43, a distance of 289.75 feet; thence N. $89^{\circ}54'$ E. along a line parallel to Shasta Way, a distance of 250 feet; thence N. $00^{\circ}00\frac{1}{2}'$ W 289.75 feet; thence S. $89^{\circ}54'$ W. 250 feet, more or less, to the point of beginning, being a portion of Tract 43, of Enterprise Tracts, containing 1.66 acres, more or less.

EXHIBIT "A"

REAL PROPERTY DESCRIPTION

PARCEL 1:

A portion of Tract 43, ENTERPRISE TRACTS, Klamath County Oregon, more particularly described as follows: Beginning at a point on the West line of Tract 43, Enterprise Tracts in Klamath County, Oregon, which point is South $0^{\circ}00\frac{1}{2}'$ East 362.75 feet; and thence North $89^{\circ}54'$ East, 30 feet from the section corner common to Sections 33 and 34, Township 38 South, Range 9 East of the Willamette Meridian; and Sections 3 and 4, Township 39 South, Range 9 East of the Willamette Meridian; thence North $89^{\circ}54'$ East a distance of 250.0 feet; thence North $0^{\circ}00\frac{1}{2}'$ West a distance of 125.0 feet; thence South $89^{\circ}54'$ West a distance of 250.0 feet to the West line of said Tract 43; thence South $0^{\circ}00\frac{1}{2}'$ East, along said West line, a distance of 125.0 feet to the point of beginning.

PARCEL 2:

A tract of land situated in Tract 43, Enterprise Tracts, in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the West line of said Tract 43, said point being South $0^{\circ}00\frac{1}{2}'$ East a distance of 362.75 feet and North $89^{\circ}54'$ East a distance of 30.0 feet from the Northwest corner of said Section 3; thence South $0^{\circ}00\frac{1}{2}'$ East along the Westerly line of said Tract 43 a distance of 70.0 feet; thence North $89^{\circ}54'$ East a distance of 250.0 feet; thence North $0^{\circ}00\frac{1}{2}'$ West a distance of 70.0 feet to an iron pin; thence South $89^{\circ}54'$ West a distance of 250.0 feet, more or less, to the point of beginning.

PARCEL 3:

A tract of land situated in Tract 43, ENTERPRISE TRACTS, in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the West line of said Tract 41, said point being South $0^{\circ}00\frac{1}{2}'$ East a distance of 432.75 feet and North $89^{\circ}54'$ East a distance of 30.0 feet from the Northwest corner of said Section 3; thence South $0^{\circ}00\frac{1}{2}'$ East along the Westerly line of said Tract 43 a distance of 60.00 feet; thence North $89^{\circ}54'$ East a distance of 250.0 feet thence North $0^{\circ}00\frac{1}{2}'$ West a distance of 60.0 feet; thence South $89^{\circ}54'$ West a distance of 250.0 feet, more or less to the point of beginning.

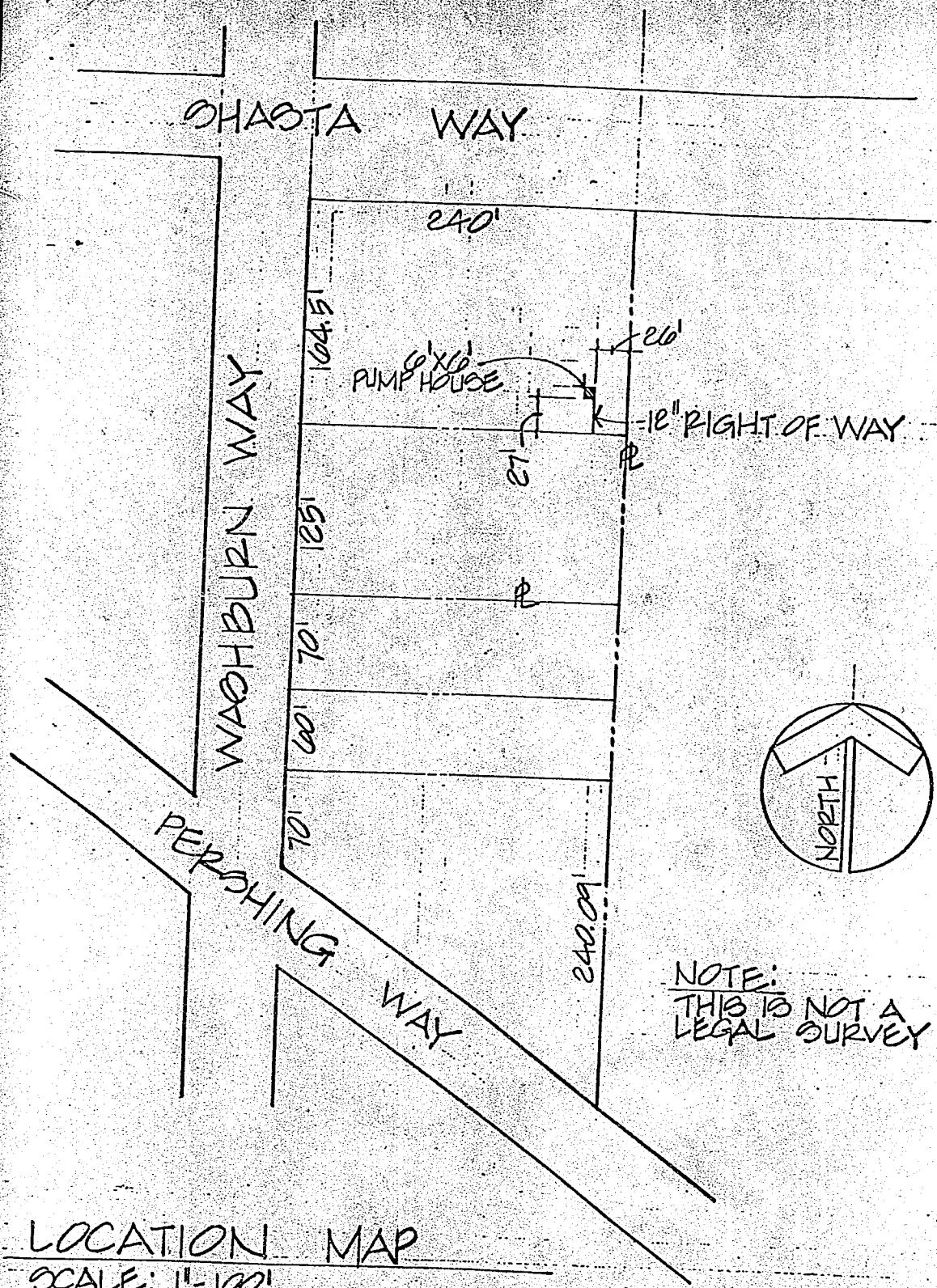
ALSO a tract of land situated in Tract 43, ENTERPRISE TRACTS, in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the West line of said Tract 43, said point being South $0^{\circ}00\frac{1}{2}'$ East a distance of 492.75 feet and North $89^{\circ}54'$ East a distance of 30.0 feet from the Northwest corner of said Section 3; thence South $0^{\circ}00\frac{1}{2}'$ East along the Westerly line of said Tract 43 a distance of 70.0 feet to the Northeasterly line of Pershing Way; thence South $55^{\circ}50\frac{1}{2}'$ East along the Northeasterly line of Pershing Way a distance of 302.15 feet to an iron pin; thence North $0^{\circ}00\frac{1}{2}'$ West a distance of 240.09 feet; thence South $89^{\circ}54'$ West a distance of 250.0 feet, more or less to the point of beginning.

REAL PROPERTY DESCRIPTION CONT'D

SAVING AND EXCEPTING THEREFROM a portion described as follows:

Beginning at the Section corner common to Sections 33 and 34, Township 38 South, Range 9 E.W.M., and Sections 3 and 4, Township 39 South, Range 9, E.W.M., thence South $0^{\circ}00'30''$ East along the Section line 237.75 feet; thence North $89^{\circ}54'$ East 30 feet to the West line of Tract 43 of Enterprise Tracts, which is the East right-of-way line of Washburn Way, which is the true point of beginning; thence South $0^{\circ}00'30''$ East along the West line of Tract 43 of Enterprise Tracts 325.0 feet to the Northeasterly right-of-way of Pershing Way; thence South $55^{\circ}50'30''$ East along the Northeasterly right-of-way of Pershing Way 12.08 feet; thence North $0^{\circ}00'30''$ West parallel to the West line of Tract 43, 331.80 feet; thence South $89^{\circ}54'$ West 10 feet to the point of beginning.

ALSO, a tract of land situated in Tract 43, ENTERPRISE TRACTS, more particularly described as follows: Beginning at the section corner common to Sections 33 and 34, Township 38 S., Range 9 E.W.M., and Sections 3 and 4, Township 39 S., R. 9 E. W.M.; thence N. $89^{\circ}54'$ E 40 feet; thence S. $0^{\circ}00'30''$ E. 237.5 feet to the point of beginning; thence N. $89^{\circ}54'$ E. 240 feet; thence S. $0^{\circ}00'30''$ E. 50 feet; thence S. $89^{\circ}54'$ W. 240 feet; thence N. $0^{\circ}00'30''$ W. 50 feet; thence S. $89^{\circ}54'$ W. 240 feet; thence N. $0^{\circ}00'30''$ W. 50 feet to the point of beginning.



"Exhibit C"

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of _____

this 2nd day of April A.D. 19 81 at 4:14 clock P M., and
duly recorded in Vol. M81, of Deeds on Page 6012

EVELYN BIEHN, County Clerk

By Alfred Jones

Fee \$28.00