

GEOTHERMAL WELL AGREEMENT

THIS AGREEMENT made this 28 day of July, 1983 by and between ALICE LUCINDA CONNER and ROBERT GERALD CONNER, hereinafter called "Conner", and MARK EMERSON DONAHUE and GAIL LYN DONAHUE, husband and wife, hereinafter called "Donahue".

RECITALS:

A. Conner is the owner of a parcel of real property situate in Klamath County, Oregon described as:

The Northeast 50 feet of Lots 5 and 6 in Block 19 HILLSIDE ADDITION to the City of Klamath Falls, Oregon.

upon which is situated a geothermal well which is suitable for domestic heating purposes, hereinafter called the "Conner Property".

B. Donahue is the owner of a parcel of real property situate in Klamath County, Oregon described as:

That portion of Lots 5 and 6 Block 19, HILLSIDE ADDITION to the City of Klamath Falls, Oregon, more particularly described as follows:

Beginning at a point 50 feet Southwesterly along Del Moro Street from the point of intersection of the Southwesterly line of El Dorado Street and the Northwesterly line of Del Moro Street; thence Southwesterly along the Northwesterly line of Del Moro Street 40 feet; thence Northwesterly parallel with El Dorado Street 100 feet to the line between Lots 4 and 5 of said Block 19 of Hillside Addition; thence Northeasterly along said line 40 feet; thence Southeasterly parallel with El Dorado Street to the point of beginning.

which adjoins and lies next to the Conner Property, hereinafter called the "Donahue Property".

C. Donahue has revamped the geothermal system for the use and benefit of Conner and Donahue and Conner desire to share in the geothermal well and provide for the future maintenance thereof as set forth in this agreement.

AGREEMENT

In consideration of the work and revision of the geothermal system upon the Conner property by Donahue and the covenants herein contained, the parties agree as follows:

1. Conner grants to Donahue an undivided one-half interest in the geothermal well situated upon the Conner property and an easement and right of way from said well to the northeast line of the Donahue property for the purposes of laying water transmission lines, and to enter upon the Conner property for purposes of repairing or replacing the geothermal transmission system, the geothermal well or the pumps and equipment attached thereto. The grant of the interest in the well and the easement shall be perpetual and run with the ownership of the Donahue property.

2. The cost of electricity for the operation of the pump or pumps necessary for the operation of the well and geothermal system will be paid on a 50-50 monthly basis by Donahue and Conner. Conner will pay, on a monthly basis, the cost of the domestic water necessary for the operation of the geothermal system.

3. In the event of necessary repair to the geothermal well or the pumps and transmission lines that are common to both parties, the parties will share the same on an equal basis. Each party will be responsible for the repair and replacement of any transmission lines that are connected to the individual residences and not held in common.

4. Neither party hereto warrants the chemical composition of the water; quality of the water nor the quantity of the water. The parties waive any damages caused by the operation of the well, pumps and system by one party as against the other party.

5. 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.

6. 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.

7. This agreement shall run with the land and inure for the benefit of the successors and assigns of the parties hereto.

DATED at Klamath Falls, Oregon the day and year first hereinabove written.

Robert Gerald Conner
Robert Gerald Conner

Mark E. Donahue
Mark Emerson Donahue

Alice Lucinda Conner
Alice Lucinda Conner

Gail Lyn Donahue
Gail Lyn Donahue

STATE OF)
County of) ss.

Personally appeared the above-named Robert Gerald Conner and Alice Lucinda Conner, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:

NOTARY PUBLIC FOR
My Commission Expires:

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above-named Mark Emerson Donahue and Gail Lyn Donahue, husband and wife, and acknowledged the foregoing instrument to be their voluntary act. Before me:

NOTARY PUBLIC FOR OREGON
My Commission Expires:

Mark E. Donahue
1885 PEL MORO ST.

STATE OF OREGON: COUNTY OF KLAMATH :ss
I hereby certify that the within instrument was received and filed for record on the 28 day of July A.D., 1983 at 11:28 o'clock A M., and duly recorded in Vol M83, of deeds on page 12282

Fee \$ 12.00

EVELYN BIEHN COUNTY CLERK
by [Signature] Deputy