

KNOW ALL MEN BY THESE PRESENTS, Klamath Medical Clinic Building Co. Inc., an Oregon Corporation, hereinafter called the "GRANTORS", do hereby grant and convey to The CITY OF KLAMATH FALLS, OREGON, hereinafter called the "GRANTEE", its successors and assigns, an exclusive utility easement fourteen (14) feet in width over, under and across that property conveyed to the Grantors by deed Volume 305 page 286 of the Klamath County deed records. The easement for the purpose of laying, constructing, operating, maintaining, changing, relocating, removing and/or replacing a geothermal pipeline and necessary connections to Grantors' geothermal heating system to capture all of the geothermal discharge from said system, and all necessary or desirable appurtenances thereto, is described as follows:

A strip of land fourteen (14) feet wide, lying seven (7) feet on each side of the following described centerline: Beginning at a point on the northerly line of Main Street, said point being S.89°18'E., 474.95 feet from the southeast corner of Lot 8, Block 5 of Williams Addition to the city of Klamath Falls, Oregon; thence N.00°42'E., 84.00 feet, parallel with the east line of that property described in the above stated deed, to the end of said 14 foot wide easement.

TOGETHER with the right of ingress to and egress from said easement upon and across the property covered by said easement, and such other property adjacent thereto and owned by the Grantors as is necessary to gain access to the property covered by said easement for the purpose of exercising any and all rights hereby granted. Grantors reserve and retain the right to use said easement in any manner and for any purpose which does not interfere with the proper exercise of the rights hereby granted to the Grantee, but Grantors agree not to build, maintain or construct nor to permit the building, maintenance or construction of any obstruction, building, engineering works or other structure on said easement.

IN CONSIDERATION for this easement, Grantee shall assume the responsibility of disposing of the captured geothermal water in a manner consistent with all applicable local, state and federal rules and regulations, and shall save and hold Grantors harmless from any claim or responsibility arising out of the use or disposal of said captured geothermal waters.

TO HAVE AND TO HOLD said easement unto said Grantee, its successors and assigns forever, and the Grantors hereby warrant that they are the owners in fee simple of said above described property and have good right to grant and convey said easement therein.

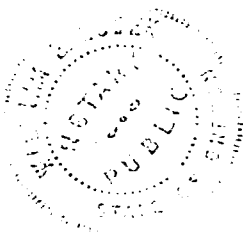
IN WITNESS WHEREOF, Klamath Medical Clinic Building Co. Inc., has caused this instrument to be signed by its proper officer[s], sealed with its corporation seal and acknowledged this 27 day of APRIL, 1986.

Klamath Medical Clinic Building Co. Inc.

by Glenn Hailis

PRESIDENT

On this 29 day of APRIL, 1986, personally appeared before me the within named officer[s], who [is/are] known to me to be the identical individual[s] described in and who executed the within instrument, and acknowledged to me that [he/she/they] executed the same freely and voluntarily.



William E. Shuler
Notary Public for Oregon
My Commission expires: 10/12/87

After recording, return to:
City Recorder, P. O. Box 237, City 97601

58801

10668

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 19th day
of June A.D., 19 86 at 3:14 o'clock P M., and duly recorded in Vol. M86
of _____ Deeds on Page 10667.

FEE \$9.00

Evelyn Biehn,
By _____

County Clerk

[Signature]